

NEWS SUMMARY

GENERAL

Saudis
behead
63
rebels

Saudi Arabia beheaded 63 of the religious fanatics who seized the Great Mosque in Mecca for two weeks last November.

The Government said the executions were carried out in several cities after an edict by Saudi religious leaders.

Seizure of the Great Mosque was followed by a two-week battle between fanatics and Saudi troops. The Ministry of Information said 143 attackers had been arrested, and apart from those executed, 19 were jailed, 38 released, and 23 were sent to corrective institutions. Page 4

7 die in clash

At least seven people were killed and hundreds wounded when local Azerbaijani Turks clashed with supporters of Ayatollah Khomeini in the north-west Iran town of Tabriz.

Hotel hostages

Armed Corsican separatists invaded one of Ajaccio's main hotels and held about 20 visitors hostage. The action followed the capture earlier this week of three men supporting union of the island with France. Page 2

N-plant ordered

The Ministry of Defence has ordered a nuclear plant to be built at Capenhurst, Cheshire. The plant will make enriched uranium to fuel the UK's fleet of 15 nuclear submarines. Back Page

Tankers collide

About 600 barrels of heavy oil poured into the sea off Japan's south coast after a collision between a Japanese oil tanker and a South Korean diplomatic tanker.

Ulster tactics

Ulster Secretary Humphrey Atkins attempted to keep the constitutional conference on Northern Ireland alive by trying to steer clear of the most contentious issues, Irish unity and security. The conference was adjourned until January 21. Page 7

Docherty attack

Two men were summoned for allegedly attacking Queens Park Rangers' soccer manager Tommy Docherty on a train last month. They are due to appear in court in Stockport on February 13.

Kidnappers' ruse

Kidnappers of British heiress Teleri Jones, 43, and her son, Owen, 16, may have posed as army officers, Bogota newspapers reported. She unwittingly invited the men to eat at the family ranch.

Miss World bid

Thames Television has outbid the BBC and three U.S. competitors for the television rights to Eric Morley's Miss World contest in a deal unlikely to be worth less than £750,000 in basic fees.

Briefly...

Sir Charles Curran, former Director General of the BBC, died aged 58. Obituary, Page 6
Vietnam: accused of moving more troops and materials along their common border this month.
Four Vietnamese drowned off Manila in a scramble to get on board French freighter Tourville.
All 29 people on board a Spanish ship in Falmouth harbour, were rescued when fire broke out.
Pakistan retained the Champions' hockey trophy by beating the UK 6-1.

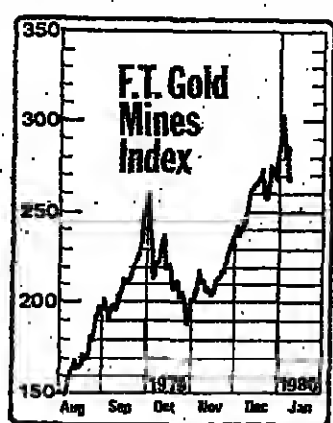
CHIEF PRICE CHANGES YESTERDAY
(Prices in pence unless otherwise indicated)

RISES	FALLS
Treas. 3pc 1982-84 124 + 1	Vickers 117 + 5 1/2
Assed. Dairies 172 + 6	Vesper 185 + 10
Boots 168 + 5	Westland 89 + 12 1/2
Clive Discount 38 + 6	Wilkinson Match 157 + 9
Corinthian 36 + 4	Siebens (UK) 444 + 34
Granada A 144 + 11	Ashton Mining 170 + 21
Harris Queensway 148 + 12	CRA 271 + 23
Imray 510 + 25	Northern Mining 155 + 18
Johnson 240 + 13	RTZ 354 + 12
Land Secs. 256 + 6	Tanks Cons. 27 + 7
ML Holdings 203 + 11	Weston 27 + 7
Mgt. Agency Mule 120 + 8	Barclays Bank 406 + 7
Markes and Spencer 58 + 4	Bouring (C. T.) 132 + 5
McCorquodale 103 + 15	Sotheby's 395 + 8
Pentos 61 + 6	Anglo-Amer. Gold 537 + 11
Racal Elec. 208 + 9	Blyvoor 498 + 46
Smiths Inds. 191 + 9	Hartbeest 223 + 21
Southern 90 + 12	Rustenburg Plat. 238 + 14
Thorn Elect. 292 + 14	Vaal Reefs 223 + 11
	Western Deep 151 + 1

BUSINESS

Sterling
firmer;
Gold
off \$7

STERLING improved against most currencies to close at \$2.2665 (52.2620) its best closing level since last August. Its trade weighted index rose to 71.1 (70.9), its highest level since September 11. DOLLAR closed at DM 1.7115 (DM 1.7135). Its trade weighted index fell to 84.2 from 84.4.



GOLD fell \$7 to close at \$870 in London after touching \$913 in comparatively mild trading.

EQUITIES drifted for most of the day, after a sudden upsurge at the start on monetary growth comment, before firming in the afternoon. The FT 30-share index gained 7.9 to close at 423.5. The FT Gold Mines index fell 12.7 to 266.5 for a two-day loss of nearly 20 points.

GILTS were subdued and the FT Government Securities index rose 0.04 to 65.34.

WALL STREET was up 1.19 at \$52.90 near the close.

GOVERNMENT has promised to make a speedy decision on the proposals of the Finniston Inquiry into the engineering profession, which calls for far-reaching changes in the structure of the profession and the education and training of engineers. Back and Page 8: Editorial comment Page 22

BRITISH PETROLEUM is to refine 50,000 barrels a day of Saudi Arabian crude in its European refineries. Previously Saudi oil has been sold to U.S. companies. Back Page. Tokyo companies sign oil agreements. Page 4

IRISH Prime Minister announced plans to cut Government spending and borrowing. He said the balance of payments deficit for last year will be £760m, more than £100m worse than previous estimates. Back Page

NEW car sales in the UK last year reached a record 1,716,275, according to the Society of Motor Manufacturers and Traders. Page 6

BANKING, INSURANCE AND FINANCE UNION, which represents 65,000 workers in the financial clearing banks, is claiming 25 per cent increases for its members with higher increases for specific groups. Page 8

COMPANIES

WESTLAND AIRCRAFT reported pre-tax profits of £15.27m for the year ended September 30, 1979, compared with a loss of £2.86m for the previous year. Page 24

HOGG ROBINSON GROUP, the insurance broker, saw pre-tax profits for the six months to the end of last September fall £635,000 to £2.73m on turnover up from £15m to £16.3m. Page 24

MCCORQUODALE AND COMPANY, the specialist printing group, recorded an increase to £4.63m from £4.12m in pre-tax profits for the year to September 30, 1979. Page 24

Western banks will
take tough line on
loans to Soviet bloc

BY FRANCIS GHILES and MICHAEL LAFFERTY

International banks are expected to adopt a much tougher stance in future lending to the Soviet Union and other East European countries following the Soviet invasion of Afghanistan. This was confirmed yesterday by leading American and British international bankers in London.

Meanwhile, the U.S. authorities have asked Japan and West European countries to reduce official and government-guaranteed credits to the Soviet Union. However, bankers in London and other European centres were expressing doubts yesterday as to whether some countries—particularly France and West Germany—would take serious steps to curtail such credits, if only because they would not wish to jeopardise their own exports.

In the past 10 years East European countries have been granted easy access to the international capital markets in help finance their acquisition of western capital goods and technology, an essential ingredient of their development plans.

Last year they borrowed \$3.7bn, as much again as in the two previous years. Over the past four years aggregate Soviet bloc bank borrowings have amounted to \$9.5bn.

The country which is likely to be hardest hit is Poland, whose total hard currency net debt amounts to \$17bn. Poland is shortly expected to seek another major loan and is estimated to need between \$4bn and \$5bn, just to make its scheduled annual repayments.

One leading London banker yesterday went so far as to declare: "I do not think they will

be able to raise that amount of money."

Along with other bankers he predicted that East European countries and Western bank loans more difficult to raise and that they would also have to pay more for their loans than market conditions would otherwise have indicated.

The British banker also spoke of a noticeable change in banks' perception of the risks involved in lending to Comecon countries. Whereas up to now most banks have considered each East European borrower on its merits an increasing number are rating Comecon as a single risk.

A number of medium-sized bank credits (in the region of \$200m each) are in the pipeline for East European borrowers. London bankers expect these to provide an indication of how difficult it will be for Comecon countries to raise loans, and on what terms they will be available.

BONN TALKS CALLED OFF

THE Soviet Union has requested indefinite postponement of a meeting in Bonn of the Soviet-West German economic affairs committee planned for the end of this month. In the U.S., news that

the Soviet Union itself is unlikely to be adversely affected by the reluctance western banks may display. Its external trade balance improved last year under the combined effects of high gold, oil and other metal prices.

Figures published by the Bank for International Settlements last June show that the Soviet Union owes western banks \$6.8bn more than it has on deposit with them. At the same date, net US bank claims on the Soviet Union amounted to only \$487m.

The Soviet Union has repaid substantial amounts ahead of schedule and is not expected to need further hard currency loans this year. The possibility raised by some bankers that the Soviet Union might force Poland to default on its debt, as a means of retaliation against any concerted effort to starve East Europe of western capital, was considered very unlikely at this stage.

dockers are to boycott any grain shipments to the Soviet Union brought down prices when the Chicago markets opened. Back Page; other U.S. moves over Afghanistan Pages 2 and 35

EEC to lend UK £700m
for coal development

BY GILES MERRITT IN BRUSSELS

THE EUROPEAN Commission yesterday announced it is totalling almost £700m for Britain's coal industry and for coal-based energy development.

The Brussels announcement came within hours of a speech by Mrs. Margaret Thatcher, stressing the importance of such EEC finance as a way of solving the British budget contribution problem.

Mrs. Thatcher had told members of the European Parliament that increased EEC spending on UK projects would help restore Britain's expected £1.2bn deficit of the 1980 Community budget to a broad balance.

The scale of the new loans approved, together with a series of recent announcements in Brussels of European aid for steel and engineering projects in the UK, suggests that since the New Year, the Commission has also been determined to emphasise that Community spending represents the solution to the British budget contribution row.

The two major European Coal

and Steel Community loans will not, strictly speaking, counter-balance Britain's EEC budget deficit at all. Although the funds are being raised and transferred by the European Commission, they are part of the ECSC budget, which is separate from the Community's.

The coal-related loans are part of a £1bn finance package being granted to the Electricity Council and the National Coal Board to fund half of a £2bn programme.

The ECSC is to provide £500m in loans for the £1bn Drax B coal-burning power-station to be built in Yorkshire, and is prepared to provide a total of £500m in ECSC finance for the NCB's new mine under development at Selby, Yorkshire.

Under these arrangements, the Brussels Commission has approved a £190m loan to follow the £65m loan for Selby granted in 1978. This second tranche will cover the ECSC's share of expenditure up until March, 1983.

On the overall £500m loan facility granted for Drax, the

Commission expects to release the first tranche of up to £20m during this year.

Since the New Year, the European Commission has also been able to announce a package of small ECSC and European investment bank loans to industry in Scotland and North-east England, and the award of special aid funds to the British steel industry.

The £232m package was for job-creation purposes, but it was emphasised that it was part of a 1980-81 scheme expected to funnel £200m in loans to British industry.

The special aid for a £7.8m ECSC grant for the training and resettlement of redundant steel workers that took the British steel industry's level of loans from the ECSC from 1973 to around £400m.

The Central Electricity Generating Board, which puts the latest cost of Drax B at £762m, substantially lower than the figure given in Brussels, estimates that the 4,000 MW power station will be commissioned in 1986.

Post Office plans new councils

BY JOHN LLOYD

THE POST OFFICE has proposed two national joint policy councils, in which the corporation's chairman and the managing directors of its three businesses would meet general secretaries of the Post Office unions.

The councils would replace the two-year experiment in industrial democracy at board level, which ended last month. The councils would run in parallel with the new boards which now control two effectively independent corporations—posts and Girobank; and telecommunications.

Sir William Barlow, Post Office chairman, sees the joint policy councils as continuing the tradition of worker representation, but at a higher level.

The councils would discuss issues of policy, planning and performance before they were considered by the business boards. Union views would be taken into account by the boards.

The proposed councils are

seen by Sir William as a more effective way than the previous system of listening to the unions' reactions to future moves since the worker directors were, in most cases, officers below the first rank in their unions.

The Council of Post Office Unions, which is negotiating with the corporation on the issue on behalf of the unions, is not opposed to the proposal in itself, but is against any plans which would remove union representation at board level.

The proposed councils are

Europe
backing
for U.S.
on Iran

By David Buchan in Washington

MAJOR EUROPEAN countries and Japan have agreed in principle to take further financial steps against Iran. They have told the U.S. that these will be put into effect if the United Nations brings in sanctions against Iran over the holding of U.S. hostages in the Tehran embassy.

The measures to which America's partners have conditionally agreed fall short of freezing Iranian assets in their banking systems, as the U.S. itself did last November. But they include:

● Restrictions on new borrowing by Iran;

● Restrictions on Iranian customers opening new interest-bearing bank accounts;

● Limitations on Iran converting its dollar assets into other currencies.

There is already agreement between the U.S. and other major Western countries not to step up purchases of Iranian crude, to pay only in dollars and to resist paying the high spot market prices, which Iran has been demanding.

Outlining the new agreement, State Department officials said yesterday that "allied countries have been co-operative" in their co-ordination of pressure on Tehran.

The groundwork for such steps was laid last month, when leading U.S. State and Treasury Department officials visited Europe and Japan. Few of the U.S.'s allies apparently want to go as far as blocking all Iranian assets, for fear of retaliation against their remaining interests in that country. The U.S. froze nearly \$9bn of Iran's assets, most of it in banks in the U.S. and in U.S. bank branches abroad.

News of possible further financial reprisals against Iran that would hit at Tehran's ability to finance trade and development came as the U.S. was this week starting consultations with its fellow 13 members on the UN Security Council on international economic sanctions.

The U.S.-drafted sanctions proposal now being circulated in New York provides for financial measures, as was the case in the 1966 and 1968 UN boycotts of Rhodesia.

Officials in Washington said the U.S.'s major allies had for the most part made it very clear that only an international mandate could over-ride domestic Continued on Back Page
Iran trade takeover may be delayed Page 4

Steel pickets
threaten jobs
warns CBI

BY OUR INDUSTRIAL AND LABOUR STAFF

STRIKING steelworkers kept up a strong picketing campaign around the country yesterday as the Confederation of British Industry warned that thousands of jobs could be lost if the strike continues.

Sir John Methven, director general, warned that the strike would worsen the position of many companies which were still trying to recover from last year's road haulage and engineering strikes.

The effectiveness of picketing is forcing a number of companies to reconsider original optimistic forecasts about the length of time they are likely to be able to withstand the effects of the strike.

The International Steel Trade Association, the industry's largest trading association, last night sent a message to the Government warning that the effects of picketing were worse than had so far been reported.

Steel union leaders continued to tell pickets to avoid private steel manufacturers although they say this does not include stockholders which might be supplying British Steel Corporation customers. But there were continuing reports of picketing at some private steel works and other third parties, including Metal Box, yesterday.

The Engineering Employers Federation said that growing reports of secondary picketing showed that voluntary codes were ineffective in practice and that the proposals now before Parliament in the Government's Employment Bill were absolutely necessary.

In Sheffield yesterday five pickets arrested outside Hadfield's, a private steel manufacturer, were given conditional discharges when they appeared in court on obstruction charges. There were two more arrests yesterday.

An attack on the Government for "abdicating its responsibilities" over the steel strike was delivered yesterday in front of the Prime Minister by Mr. Len Murray, TUC general secretary.

Speaking at the start of a National Economic Development Council meeting, Mr. Murray said the Government was hindering the solution of the steel dispute and was "not facing up to its proper responsibilities in the management of the nation's affairs."

He said the NEDC was not the right place to discuss the merits of the dispute, but he wanted to say that the "parameters for negotiation had been determined by the Government which must accept responsibility."

Speaking just before the NEDC discussed the adoption of high technology in industry, Mr. Murray said technological and structural problems facing the steel industry had been "grossly intensified by unreasonable narrow and short-sighted Government policies."

Mrs. Thatcher agreed that the NEDC was not the place for talks on the dispute, and said she deeply regretted the breakdown in the recent talks. She hoped the dispute would not be prolonged and that an early settlement would be reached in the interest of the industry's affected.

Mr. Murray then said it was astonishing that the Government showed no signs of accepting responsibility. "It is sitting on its hands and this is an abdication of responsibility."

NEDC meeting Page 6
Strike effects Page 8
Economic Viewpoint Page 23

No shipbuilding offer

UNION officials representing 80,000 British shipbuilders employees, who fear they may face similar problems over their pay claim to the steelworkers, were not made an offer at negotiations in Newcastle yesterday.

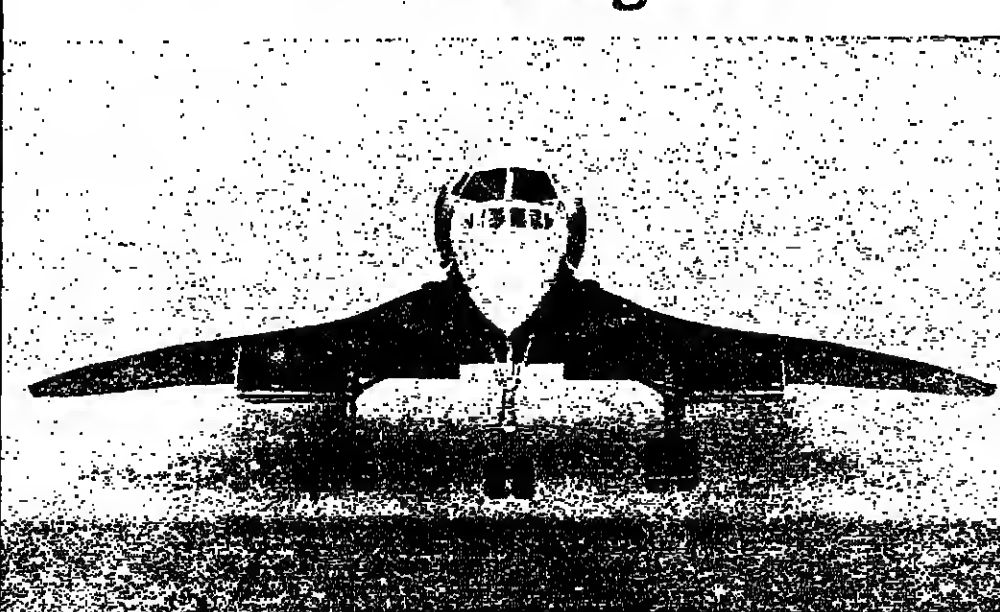
The corporation will not now reply to the union claim until next month, and some union negotiators saw this as a move to allow BSC to make the running. The shipbuilding unions, like the steelworkers, want compensation against the current rate of inflation.

Sir Charles Villiers, chairman of BSC, and Sir Derek Ezra, chairman of the National Coal

Board, are due to meet members of the TUC's nationalised industries committee today to discuss the problem of coking coal imports to BSC plants. Welsh trade union representatives will use the meeting to press for wider industrial action from January 21 in the coal and steel industries against the latest BSC closure plans.

£ in New York

	Jan. 8	Previous
Spot	\$2.2550-2555/\$2.2645-2650	
1 month	0.48-0.49 dis 0.43-0.38 dis	
3 months	1.16-1.17 dis 1.12-1.08 dis	
12 months	4.25-4.05 dis 4.00-3.80 dis	

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EUROPEAN NEWS

Opposition proposes coalition with Demirel

BY METIN MUNIR IN ANKARA

THE MAIN opposition leader in Turkey, Mr. Bulent Ecevit, yesterday proposed a coalition between his social democratic Republican People's party and the free enterprise Justice party of Mr. Suleyman Demirel, the Prime Minister. This is a partnership

wanted by the Turkish generals who issued a *suk* warning to the political parties a week ago that they must reach agreement on ways to deal with the country's problems. Among its other proponents are Mr. Fahri Koruturk, the Pres-

ident, and the business community in Istanbul. Mr. Ecevit's surprise proposal was made in an oblique way after a meeting with the President. "If Mr. Demirel is to propose a coalition to the Republican People's party," he said, "I would support

such a proposal and bring it before the party's executive board. Mr. Demirel, however, has made no such proposal and has not even hinted that he is considering a coalition with his principle adversary. Nor was he immediately available for comment.

Turkey-U.S. defence pact agreed

BY OUR ANKARA CORRESPONDENT

TURKEY AND the United States have agreed the draft of a new defence treaty in negotiations which have been accelerated by the Soviet invasion of Afghanistan. The agreement gives the U.S. the right to continue operating its vital bases on Turkish soil but stipulates that they will be used strictly for NATO purposes.

Special permission would be required from Ankara for the use of the bases for "American purposes," said a U.S. diplomat. Turkey, which has important ties with the Soviet Union, Iran and Iraq linked to crude oil supply and economic aid, is keen to avoid the impression that the U.S. bases are aggressive in nature or can be used for purposes other than those stipulated under public treaties.

Ankara was reluctant to allow the U.S. to use one of its air bases last year for the evacuation of personnel from Iran. The Turkish Government's reaction to the Soviet invasion of Afghanistan has been guarded and low-key.

The bases are mainly intelligence-gathering centres which enable the Pentagon and the U.S. Central Intelligence Agency to monitor Soviet missile and nuclear weapon tests and general military activities in the region. These gained in significance following the Islamic revolution in Iran and the Soviet incursion into Afghanistan which emphasised Turkey's strategic value for the West.

The draft treaty, concluded

at an all-night session on Tuesday, is to be initiated after it is studied by the governments in Ankara and Washington. Meanwhile, the provisional status under which the bases have been operating for 15 months was extended yesterday for a further 45 days.

The pact includes a foundation agreement and three annexes: defence assistance to Turkey, U.S. investment in the Turkish armaments industry, and rules under which the bases will operate. It is expected to provide Turkey with about \$450m a year over the next five years in military and economic assistance.

It brings to an end the so-called Turkish-U.S. relations, sparked off by the 1974

Cyprus war which led to the U.S. embargo on arms supplies to Turkey and the closure of the U.S. bases on Turkish soil.

David Palmer, adds: Lord Carrington, the British Foreign Secretary, yesterday met Senator Hayrettin Erkmen, the Turkish Foreign Minister, on the first stop of his five-nation tour to review the impact of the Iranian and Afghanistans crises.

Lord Carrington regards Turkey as "pivotal" to NATO. Before his arrival, he expressed his concern about the future of Turkey and about its position on the eastern flank of NATO.

The talks with Sen. Erkmen consisted of an exchange of views on the implications of both the Soviet invasion of Afghanistan and of the situation in Iran.

Swiss GNP increased by 3.2% last year

By John Wicks in Zurich

SWITZERLAND'S gross national product rose in absolute terms by some 3.2 per cent to an estimated Sfr 162bn (\$45.4bn) last year, according to a report issued by the Government working party on economic forecasts. In real terms, growth was about 0.75 per cent, compared with only 0.2 per cent in 1978.

For 1979, the working party expects GNP growth will be nearly 1.5 per cent in real terms, and the inflation rate is predicted at around 4 per cent, or rather lower than the present annual level of 5.2 per cent.

The major impetus for the economy this year is expected to come from rising domestic investments, with construction spending up by 3 or 4 per cent and capital expenditure on equipment by about 6 per cent. Private consumption is seen as rising at the 1979 rate of 1.5 per cent.

Although a rise in export volume of some 3 per cent is expected, government economists believe the trade gap will continue to widen bringing a further decline in Switzerland's surplus on current account.

The Swiss National Bank has dropped its investigations into allegedly irregular foreign exchange transactions involving the Zurich branch of Citibank. Enquiries had been started late in 1978 after claims by Mr. David Edwards, a former Citibank employee, that currencies had been traded between various international branches at artificial exchange rates in order to "park" profits.

The Zurich weekly Weltwoche quotes Dr. Fritz Leutwiler, the National Bank president, as saying the matter can now be considered closed as far as the National Bank is concerned.

Nevertheless, Dr. Leutwiler said that some operations which had been carried out were "hardly compatible" with Swiss foreign exchange regulations.

"We can assume that not all dealings took place in complete innocence," he said. Despite this, intentional contravention of Swiss regulations could not be proved, the National Bank president said.

MARTENS TRIES TO HOLD COALITION TOGETHER

Belgium's 'last chance' fading

By Giles Merritt in Brussels

IN BELGIUM, "going to the palace" carries the opposite meaning to that understood by British politicians. Far from involving an invitation by the monarch to form a government, a trip by a Belgian premier to King Baudouin's residence facing the elegant Parc de Bruxelles tends to signal imminent resignation.

Mr. Wilfried Martens has just visited the palace to inform the King of the rapidly deteriorating political situation in Belgium. Unless his fragile coalition receives an eleventh hour reprieve he may shortly be returning there to give formal notice that he is stepping down.

If he does so, what has been labelled Belgium's last chance Government will have collapsed after only nine months in office. The country will be faced with fresh elections—the third since 1978—and the likelihood that polling will not produce a new Government very rapidly.

Political vacuum

Mr. Martens' unwieldy six-party coalition was eventually born out of a four-month political vacuum that last until April, 1979.

At 43, Wilfried Martens is the EEC's youngest Prime Minister and, despite his comparative lack of experience, has proved resourceful and resilient.

Last December, fast political change enabled him to defuse two very real crises that threatened the survival of his Government, but his skill has not been enough to cope with the bitter rivalry between francophone Walloons and Dutch-speaking Flemings that is the bughouse of Belgian politics.

The two issues were defence and unemployment. The first crisis came in early December when NATO Foreign and Defence Ministers were meeting in Brussels to decide on the installation of a new generation of U.S. nuclear weapons in Europe.

Left-wing opposition—fuelled by a rare mass protest march in Brussels—to the Govern-



Mr. Martens: potential casualty of Belgium's "language war."

ment's executive decision to site the missiles at one point risked unseating the coalition. Just as damaging was the 24-hour general strike called earlier in the month by the powerful FGTB union umbrella organisation that dominates labour in the industrial centres of Wallonia.

Prompted by mounting unrest over Government plans for big cutbacks in public spending at a time when unemployment is almost 9 per cent, the stoppage halted industry, public transport, newspapers, banking and retailing throughout the francophone southern half of the country and was followed to a lesser extent in Dutch-speaking Flanders to the north.

The economic problems that face once-wealthy Belgium are certain to increase such social tension in coming months, yet it is the "Walloon-Flemish" language war that really spells trouble for Belgian governments.

At first sight, this gives Belgium politics an air of unreality, even though the rivalry does not entirely concern which of the two communities should have the upper hand in running Belgium. It is also based on Flemish resentment that the more thriving, some would say more industrious, business sector of Flanders should be forced to fund the outdated industries of Wallonia.

It is Mr. Martens' attempt to construct a compromise based on turning Belgium into a federal state that could soon be his undoing. The idea of awarding both Flemings and Walloons self-government is now widely accepted. The stumbling block is Brussels itself; the Belgian capital is

largely French-speaking but occupies Flemish territory. The political crisis now coming to a head began in mid-December, when Mr. Martens' own party, the Flemish Social Christians, rebelled against the Government's plans to make Brussels a third self-governing region.

That would have meant two francophone regions compared to only one for the Flemish, so that political representation and clout would be in inverse proportion to economic weight. The backlash from the francophone parties in the coalition was delayed by the Christmas holiday, but has erupted in the shape of an imminent walk-out from the Government of the militant FDF francophone party that controls Brussels and the large Parti Socialiste that represents the Walloon Left wing.

Constitutional limbo

Although Belgium's French-speaking Social Christians are apparently prepared to allow Brussels to go into constitutional limbo for the present, the defection of the FDF and Parti Socialiste would bring the coalition down.

If Mr. Martens' negotiations with the party leaders prove as fruitless as most Belgian observers are predicting, Belgium faces a grim political future. Successive government collapses in recent years have hardened Flemish and Walloon attitudes, while the fragmented political structure of the country produces indecisive general election results that only compound the impasse.

Pravda attacks Yugoslav Press critics

By Anthony Robinson, East Europe Correspondent

THE SOVIET press newspaper Pravda has criticised the Yugoslav Press attack on the invasion of Afghanistan. It accused the newspaper Delo of publishing "a repetition of the slander by Imperialist propaganda."

Delo was also accused of "failing to condemn the crude interference in Afghanistan's affairs by the U.S. and Peking, which are organising armed attacks on the Democratic Republic of Afghanistan from Pakistan."

The official Yugoslav response to the invasion has been to criticise the Soviet action as an impermissible foreign intervention in the affairs of a sovereign and formally non-aligned country.

But Yugoslavia was careful not to be counted among the sponsors of the UN Security Council motion condemning the Soviet action, leaving the move to those non-aligned countries in the South-West Asian area most directly concerned.

This has made the Yugoslav reaction seem much more restrained than its bitter condemnation of the Soviet invasion of Czechoslovakia.

Hungary puts up consumer prices

BY PAUL LENDVAI IN VIENNA

A WIDE range of price increases for services and consumer goods came into force this week in Hungary. The National Price Office claims, however, that because of simultaneous cuts in other product prices the consumer prices as a whole will go up by only 0.8 per cent.

Taking into account the so-called free market prices, this year's index will rise by a further 2.9 per cent, an overall increase of 3.7 per cent on the 1979 level. Rents, pharmaceuticals, beverages and food products are not affected by the latest measures. Last July Hungary carried out the steepest price increases since 1956, which produced a price index rise of 9 per cent and a cut of 1.5 per cent in real incomes last year.

This week's increases follow the 3 per cent upward revision of the producer price level and were widely expected. While prices for synthetic knitwear, clothes and curtains as well as certain metal goods will be reduced, those for services will jump by 20 per cent on the aver-

age, and woollens, leather goods, paint, agricultural tools, and fertilisers will also cost more. Some Western observers expect that by the end of 1980 price increases will be higher than the "planned" 3.7 per cent.

Meanwhile in neighbouring Czechoslovakia, austerity measures coming into force this year involve a reduction of personnel engaged in administrative and non-productive pursuits. Mr. Leopold Ler, the Minister of Finance, warned in the parliamentary budget debate last month that wages and managers' bonuses will be cut if the factories turn out poor quality products.

Both the 1980 plan and the budget include provisions for reducing the number of administrative employees by 1 per cent. It is estimated that one person is employed in management and administration for every ten production workers and one so-called "techno-economic" officer for every five employees.

Barre to join hunt for hours agreement

By David White in Paris

THE FRENCH Government plans to take the initiative in seeking a national pact on working hours, following the breakdown of talks on Tuesday between unions and employers.

After a series of meetings spread over a year and a half, the five union federations taking part all refused to endorse proposals for a new, flexible system of annual working-hour quotas, drawn up by the Patronat, France's employers' federation.

M. Raymond Barre, the Prime Minister, said he would ask M. Jean Matteoli, the Labour Minister, to try to relaunch the discussions by holding separate talks with each of the union bodies. M. Matteoli is currently convalescing from a heart complaint.

The Government will have to tread softly to try to avoid a sharp union riposte. It favours the principle of some flexible system, operate, although this is against the letter of the law. But it will presumably have to go some way towards satisfying union demands for an actual reduction in hours.

Only one of the principal union federations, the left-wing CFDT, has shown itself ready to accept a less rigid system than the 40-hour basic week, which French workers won in 1936.

Both the Communist CGT, the largest French union, and its moderate rival, Force Ouvrière, have stuck to the principle of weekly hours, insisting on a reduction which will point the way towards their 35-hour week goal.

The Patronat offered an extra five-days' holiday on top of the month to which all French workers are entitled, and it pegged this to an anti-absenteeism clause which requires 232 days' presence each year, in order to qualify for the extra leave.

Its proposals included a basic annual quota of 1,856 hours, plus an annual overtime quota which would start at 220 hours and drop to 180 hours in 1982.

According to union representatives, this would, in fact, mean an increase of five hours in the average working week this year from the current level of just under 41 hours. A last-minute adjustment in the Patronat's proposals, cutting the number of extra hours to 150 in 1983 and providing for further reduction after that, failed to appease the unions, which want stricter control of overtime.

The CGT yesterday said it would propose a renewed programme of joint action with the CFDT in protest against government economic policies. Rail services are due to be hit severely next week, with both the main federations calling members out on strike from this Saturday onwards to back claims for better pay and working conditions, and the powerful independent drivers' union planning a stoppage lasting from Monday to Wednesday morning.

Separatists in Corsica hotel clash

By Terry Dodsworth in Paris

A NEW wave of separatist action appears to be starting in Corsica, where groups seeking autonomy from France have twice in two days taken hostages and clashed with police.

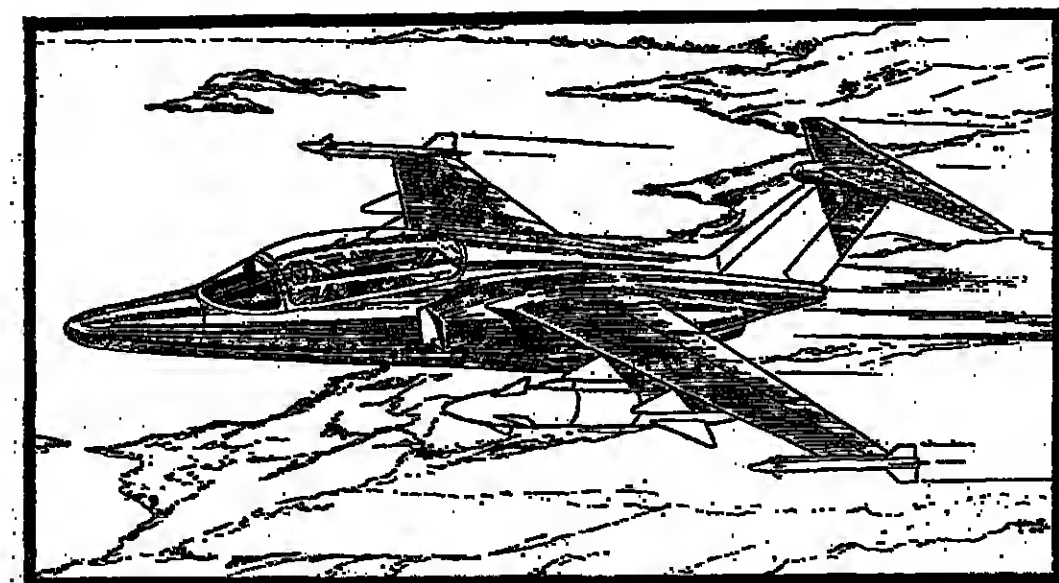
In the second incident yesterday 20 visitors to a hotel in Ajaccio, the island's capital, were taken prisoner when the building was invaded by about 30 armed separatists.

The action followed the capture by the separatists of three leaders of Francia, a movement which backs continued union with France and which has taken violent action against autonomists in the past.

Police tried to free the Francia leaders earlier this week, but were driven back by gunfire. The separatists and their hostages slipped away to the countryside where they have gone to ground.

The hotel invasion is believed to have been led by separatists from the village where the Francia chiefs were captured. Among demands being made by this group is the right to hold a Press conference on their grievances. The group says the police stopped journalists meeting them earlier in the week.

Corsica has been repeatedly shaken by violence related to the campaign for autonomy in recent years. In July, the authorities began to take a much harder line with the movement and sentences of between five and 15 years were passed on a group convicted of provoking bomb attacks. The sentences do not appear to have led to a decline in separatist activity.



Artist's impression of the new Swedish fighter.

Large foreign content in latest proposal for Swedish fighter

BY WILLIAM DULFORCE, NORDIC EDITOR, IN STOCKHOLM

SWEDEN'S air force commander, Lt-Gen. Dick Stenberg has asked the Government to order a new light trainer/attack aircraft from Saab-Scania. This is the latest attempt to preserve the development capacity of the Swedish aircraft industry.

The Government and Riksdag (Parliament) have previously rejected as too expensive two projects for a more advanced aircraft.

Saab's new design, designated the SK 2, is smaller than the models proposed earlier and will contain a larger proportion of foreign equipment. Its advantage is that it is cheaper and can be accommodated within the recom-

mended budget for the defence forces.

Lt-Gen. Stenberg wants 160 of the twin-engine aircraft to be delivered between 1987 and 1994. At a cost of roughly SKr 50m (\$5.5m) for each aircraft, total expenditure would be some SKr 8bn, of which SKr 2.3bn would be spent on development.

The aircraft would have a speed of around Mach 0.8. It would be equipped with air-to-sea and air-to-ground missiles, guided bombs and automatic cannon, although the range at which it could strike at sea-borne invading forces would be less than that provided for in the earlier Saab designs.

A large part of the SK 2's electronics will be bought abroad, mostly from the U.S. The aircraft's nose unit and possibly even the pilot's cockpit would also be manufactured abroad.

The main competitors for this sub-contract are British Aerospace and Italy's Macchi. The Air Force commander has rejected the other alternatives on which the Government instructed him to report last April. These comprised the building of a new trainer and the modernisation of the Air Force's existing Saab Draken aircraft to fulfil an attack role; the development of a new attack version of the Saab Viggen interceptor; and the purchase of a foreign aircraft.

Sa Carneiro consults opposition

BY JIMMY BURNS IN LISBON

PORTUGAL'S Centre-right Government yesterday prepared for the first parliamentary test on its programme by meeting leaders of the main opposition parties.

Consultations between Cabinet and opposition on budget, foreign policy and defence matters are provided for by Portugal's Statute of Opposition. But yesterday's meeting was the first time that a Government has invoked the law since it was approved in 1977.

The talks appeared to be

aimed at creating a climate of political consensus and at dispelling fears that Portugal's first right-wing Administration since the 1974 revolution is set on confrontation. The move is in line with a promise made by Sr. Francisco Sa Carneiro, the Prime Minister, after his election victory in December and with more recent statements made by members of his Democratic Alliance.

Although the alliance gained a majority of six in the 250-seat Assembly, the Socialist and Com-

munist parties both obtained a high proportion of the popular vote.

The alliance only just scraped through the first major challenge to its unity yesterday. Social Democrats, Christian Democrats, Monarchists and former Socialists who make up the alliance unanimously endorsed Sr. Leonardo Ribeiro de Almeida as president of the Assembly. Sr. Almeida, a Social Democrat, had earlier faced opposition to his candidacy from within the alliance.

West can exact heavy price for Soviet invasion of Afghanistan

BY DAVID SATTER IN MOSCOW

THE VICTORY in Afghanistan may give little joy to the Soviet consumer. The U.S. grain embargo and the ban on high technology exports announced by President Carter can seriously damage the Soviet economy, particularly if they are sustained over several years and supported by the Western allies.

The effects of the grain embargo will be felt within the next few months as supplies of meat in the shops increase and then sharply decline. If Canada, Australia and Argentina do nothing to make up the difference, the U.S. ban will leave the Soviet Union 17m tonnes short of its 1979-80 grain requirements. The ban on high technology

exports will take longer to have an effect but the Soviet Union has used Western technology to create entire new industries at a high technological level and to fill in the gaps in its own industrial plant. An end to this trade will be felt in a tightening of energy supplies and a large-scale reorganisation in industry.

The grain embargo will not strike, and apparently is not intended to strike, at Soviet bread supplies. The amount of feed available for livestock, however, is expected to fall by about 13 per cent and the complementary U.S. ban on exports of soybeans and soyameal,

which raise protein content when mixed with feed grain, will mean that livestock will need more grain to get the same amount of protein.

The distress slaughtering which record-sized herds and a shortage of grain will require is expected to begin in the next few months. Overall meat production will probably fall in 1980 by more than 10 per cent, and may approach 12 per cent, the level reached following the disastrous harvest failure in 1975. Meat production could then continue to fall in 1981 if the embargo has not been lifted.

The high technology ban will

similarly make itself felt but will depend for its success on support from the U.S. Western allies. The inability to buy U.S. technology will be an annoyance to the Soviet Union but only a general ban on Western high technology imports will have practical economic effect.

The first place the strain will be felt will be in oil production where the Soviet Union is hoping to increase results during the next decade by improving secondary and tertiary recovery methods rather than by developing new fields.

Moscow has refrained to water injection, the traditional Soviet recovery method, as "skimming the cream" off the top of oil reserves. But effective recovery methods such as the "gas lift" method which is going into operation at the giant oil field at Samotlor, must be purchased from the West. A ban on purchases would force a long and costly effort to develop this technology at home.

The Soviet Union also imports large diameter pipe for oil and gas pipelines, plastic "wrapping" for the pipelines to insulate them and engines for pipeline

compressor stations. The loss of these imports would greatly damage the efficiency of Soviet energy processing.

A Western ban on high technology exports to the Soviet Union would hit hard in other areas as well. The Soviet military and civilian economies are strictly separate. If the Soviet economy is cut off from the West, it will have to develop a wide range of specialised equipment and invest the time in research and development that Soviet proponents of expanded trade with the West have always sought to avoid.

The volume of Soviet imports from the West expanded greatly in the 1970s but the USSR was selective in what it chose to buy. In the chemical industry, for example, it created a base for efficient fertiliser production by importing the plant almost in its entirety. It did the same in chemical applications, in particular downstream petrol products like plastics and synthetic fibres, fertilisers and ammonia, machine tools and cars.

The Fiat-designed plant at Togliatti and the lorry factory at

Kama are only the two best-known examples of the Soviet Union filling a need by massive purchases of foreign equipment, technology and design.

If the ban on high technology exports is made effective it would preclude the option of turning to the West for help in establishing an industry. The USSR presently lacks equipment for deep water oil exploitation but must turn to offshore oil deposits in the Barents Sea and the Sea of Okhotsk, as well as the deeper waters of the Caspian if it is to sustain production. The inability to buy equipment in the West would put back offshore oil exploitation for as much as 10 years.

The need to begin to produce sophisticated equipment domestically, which has previously been bought from the West, would strain resources and require major changes in the Soviet system of long-term planning. Soviet planners often plan with pride to the "autumn" of the five year economic plan and they strive to improve its precision. This very tentativeness, however, leaves it ill prepared to accommodate massive

change in expected deliveries of high technology products.

To begin domestic manufacture of large diameter pipe, for example, would require increased steel production which, in turn, would require more coal and iron production and allocation of more machinery to be used in the extraction of raw materials. The amount of replanning required would be enormous even if a method of duplicating the quality of German and Japanese large diameter pipe could be developed.

In the long run, the combination of tight agricultural and manufactured goods exports could probably paralyse Soviet economic growth, although the West would also suffer through the loss of valuable oil and gas imports, the need to prop up grain prices and the diminution of trade. As its labour force declines in size through the 1980s, the Soviet Union will have increasing need of automated systems which it could only develop very slowly. The West is in a position to make Afghanistan a very expensive prize.

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OVERSEAS NEWS

U.S. seeks foothold in 'crescent of crisis'

BY JAMES BUXTON IN LONDON AND DAVID BUCHAN IN WASHINGTON

THE U.S. is searching for possible air force and naval facilities on the fringes of the Middle East and in the Horn of Africa to fill a logistical gap which has long been apparent to American planners. But which country will the U.S. Government back the political will to meet?

A U.S. mission which went to Oman, Somalia and Kenya last month (before the Afghanistan invasion) found that these countries had no objection in principle to the temporary use of their facilities in time of crisis. Meanwhile, President Sadat has offered the U.S. the use of facilities in Egypt, while Israel has been miffed by the apparent American preference for facilities in Arab Egypt rather than in the Jewish state.

The Americans are not seeking permanent military facilities in Oman, Somalia nor Kenya, nor would American personnel be stationed there though some stores might be deposited there. Nevertheless, the whole issue is fraught with difficulties because of the very delicate question of U.S. military involvement in the region which Dr. Zbigniew Brzezinski, President Carter's security adviser, calls "the crescent of crisis." That is why the U.S.

has not approached Saudi Arabia. The Iran crisis, followed by the Afghanistan crisis, has alerted the U.S. to the fact that should it need to move troops to the area it has no facilities that it can be sure of using close to the critical tier of countries bordering the Soviet Union or its satellites in south-west Asia, Iran, the Gulf states and Pakistan.

The U.S. has seaborne forces of Marines and a large air trans-

port fleet. But probably the best way in which a fast deployment force, for which the Administration is to seek \$90m from Congress to build up, to operate would be for troops to be flown in to meet their heavy equipment arriving by sea. This means the use of military facilities in countries near the crisis region.

The U.S. has a small communications facility and fleet anchorage at Diego Garcia, a British-owned island in the Indian

Ocean, but although it has an airstrip and a small harbour, which are being expanded, it is too far away from the south-west Asian mainland to be sufficient. Though the U.S. has berthing rights at Bahrain in the Gulf for three warships, its presence there is politically sensitive.

The best military facilities the U.S. might use are in Oman, whose ruler, Sultan Qaboos, is pro-western, supports the Camp David policy on the Middle East conflict and emphasises the

dangers to the Strait of Hormuz at the entrance to the Gulf, near which it is situated.

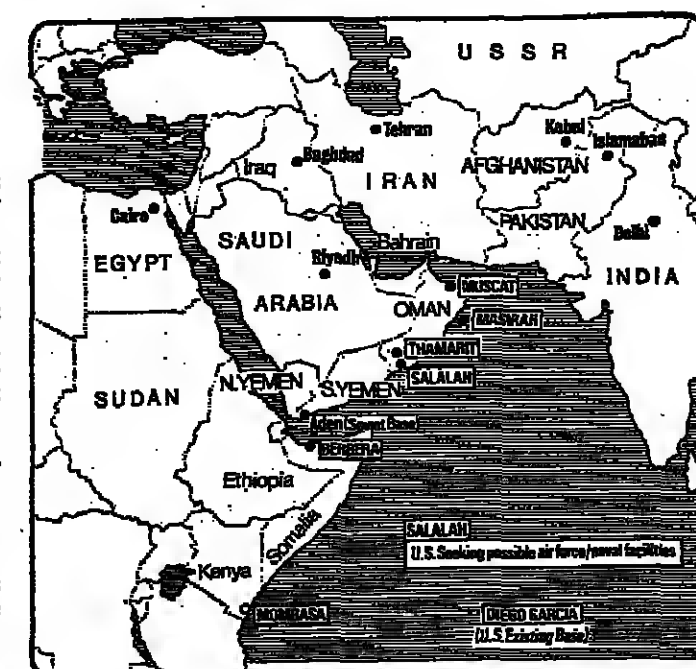
It has air force bases at Salalah and Thamarit in the southern province of Dhofar, a simple air base on the island of Masirah (used until 1977 as an RAF staging post) and a large air force and military complex near Muscat, the capital.

Somalia has a large port and air base at Berbera, on the Gulf of Aden, which was built by the Russians but vacated by them in 1977. Kenya has the deep water port of Mombasa, which also has a large airport, but is considerably further from the scene of any potential action.

The U.S. is interested in the ports in both countries and the air force facilities in Oman.

So far the U.S. has made no agreement with any of these countries but technical teams are due to visit them, probably later this month, to evaluate what facilities could be used.

The U.S. regards such military facilities it might obtain from Egypt or Israel, in the crucial Middle East conflict zone, as a possible fall back to be considered when the Indian Ocean potential has been fully assessed. But the U.S. already has training exercises



with the Egyptian air force, apparently using two Airborne Warning and Control System (AWACS) aircraft stationed there since mid-December.

The countries involved would probably want to give their approval to the actual U.S. use of the facilities on a case-by-case basis. In the meantime they would want American military and other support. While in Oman's case this would probably amount to supplies of military equipment which the Sultanate

has said it needs to bolster its forces against South Yemen, in Somalia this could involve the U.S. in strengthening Somali forces, which were shattered in the 1977-78 war with Ethiopian and Cuban forces. This could mean American participation in the potentially explosive Horn of Africa conflict. With the Soviet Union heavily entrenched in Marxist Ethiopia, this is something Washington is likely to want to avoid.

Soviet warships aid Ethiopian withdrawal

BY OUR FOREIGN STAFF

RUSSIAN WARSHIPS had to evacuate Ethiopian troops from a Red Sea port after a recent defeat by guerrillas in Eritrea. The defeat has apparently led Ethiopia to abandon an offensive which was intended to crush remaining guerrilla outposts in the far north of the province.

Some 20,000 troops of the Ethiopian 3rd division were beaten off after a 13-day assault on the guerrilla-held town of Nakfa. Guerrillas of the Eritrean Popular Libera-

tion Front claim that 8,000 Ethiopians were killed, or wounded in the fighting which took place in mid-December.

The EPLF forces broke out of Nakfa on December 27 and in a two-day battle routed the 3rd division and the 508 tank group supporting it. Ethiopian forces, which have Soviet advisers and technicians had to retreat under fire 30 miles south to Afabet.

Russian ships, apparently using facilities they are known to have in the Ethiopian-occupied Dahlak

Islands in the Red Sea, had to evacuate troops from the port of Marsa Teklay which was under guerrilla siege.

The fighting was seen by a Japanese reporter who spent a month with the guerrillas. Though western diplomats believe the guerrilla claims of Ethiopian casualties may be exaggerated, they confirm the outcome of the battles and the Soviet naval role.

The reporter said he saw hundreds of dead Ethiopians after the fighting, as well as

four wrecked T-54 tanks and 70 burned-out trucks.

Nakfa is the only major town in Eritrea in Ethiopian hands after the powerful Soviet-backed Ethiopian offensive of late 1978. But in July last year Ethiopia lost 2,000 dead in an ambush during an attempt to capture the town. The latest Ethiopian offensive has met concerned fighting by the EPLF and the Eritrean Liberation Front, the other main guerrilla group, each fighting in their own areas.

Soames attacked over auxiliaries

BY QUENTIN FEE IN SALISBURY

LORD SOAMES, Governor of Rhodesia, yesterday faced a concerted attack on his use of Rhodesian security force auxiliaries to help maintain law and order.

Four of the leading political parties, including both wings of the Patriotic Front, have now called for the withdrawal of the auxiliaries—the paramilitary force originally trained as the private army of Bishop Abel Muzorewa, the outgoing Prime Minister.

The uproar about the role of the auxiliaries, in both tribal areas and African townships, came as it was disclosed that the Rhodesian police have asked for further reinforcements to maintain law and order during the election campaign. The only likely source of support would be the Rhodesian security forces.

Mr. Willie Masarurwa, publicity secretary of Mr. Joshua Nkomo's ZAPU wing of the Patriotic Front, said that the use of the auxiliaries threatened to wreck the ceasefire agreement. He repeated a threat which Mr. Robert Mugabe, lead-

er of the ZANU wing of the front, made in a letter to Mrs. Thatcher, that the front's forces would break the ceasefire if the auxiliaries were not contained.

He listed a number of complaints about the activities of the auxiliaries including threats to the lives of anyone who voted for the Patriotic Front and forced attendance at rallies given by Bishop Muzorewa.

More complaints about intimidation were made by the Reverend Noabangani Sibhole's ZANU party. In a statement released yesterday the party said failure to solve the problem would be regarded by the masses as a lack of impartiality on the part of the Governor as well as support for a particular party.

In his letter to Mrs. Thatcher Mr. Mugabe said that his guerrillas would leave the designated areas in which they have assembled if the actions of the auxiliaries were not checked. A similar threat, though couched in more cautious language, was made by Mr. Masarurwa.

especially Mr. Mugabe's wing—and the British Government in Salisbury would be considerably worsened if, as expected, the Rhodesian security forces are partially or wholly mobilised to deal with the internal security situation during the elections.

Call-up papers for a general mobilisation are expected to be issued within a few days, although no final decision will be taken until nearer the election.

However Sir James Haughton, the police adviser to Lord Soames, confirmed yesterday that the Rhodesian police had asked for reinforcements. "The police do not feel able to handle election security on their own."

Bishop Muzorewa won a prominent recruit to his United African National Council yesterday, when Mr. Michael Mawema, a veteran nationalist, announced his decision to disband his National Front of Zimbabwe and join the Bishop.

The National Front, one of 11 parties registered for the election, was formed by Mr. Mawema largely to cater for dissident members of Mr. Mugabe's ZANU from the Karanga tribe.

Assad asks mayor to head Cabinet

By Our Damascus Correspondent

THE MAYOR OF DAMASCUS, Mr. Abdel-Raouf al-Kasbi, has been asked by President Hafez al-Assad to form a new Syrian Government.

This follows the election at the weekend of a new regional command and central committee for the ruling Arab Ba'ath Socialist Party. The outgoing Prime Minister, Mr. Mohammed Ali al-Khalabi, who is continuing in a caretaker capacity until a new Cabinet has been formed, failed in the poll for the regional leadership. As a result his resignation was considered a foregone conclusion.

The party congress that ended in Damascus on Sunday was one of the most critical since the moderate faction led by President Assad emerged triumphant in 1970. It took place against a background of communal strife and violence by members of the right-wing Muslim Brotherhood aimed particularly at the Awaliite sect to which President Assad and other Ba'athist leaders belong.

Palestinian 'handicap' for Egypt

BY ROGER MATTHEWS AND DAVID LENNON IN ASWAN

EGYPT'S ABILITY to check the growth of Soviet influence in the Middle East is severely limited by Israel's refusal to give the Palestinians any hope that the current autonomy negotiations will lead to any real benefits.

This was made clear yesterday by Dr. Boutros Ghali, Egypt's Minister of State for Foreign Affairs, on the eve of the final session of talks between President Anwar Sadat and Israel's Prime Minister, Mr. Menachem Begin.

Dr. Ghali said that the crisis in the region caused by events in Iran and Afghanistan had made accelerated progress on Palestinian autonomy even more vital. Should nothing substantive emerge by the target date of May 26, then the whole peace process would be seen to be without credibility.

Israel would have its peace in a formal sense but there would be no substance to it, the Minister said. The Minister stressed that Egypt would abide by the terms of the peace treaty, but Israel could not expect full

normalisation of relations without progress on the Palestinian issue. He pointed out that agreements on commercial and cultural links were not due to be reached until July 26, two months after the expiry of the target date for the autonomy talks.

"The Palestinians on the West Bank and Gaza must be given the feeling that something has changed. So far, nothing has changed. On the contrary the situation for them is getting worse," Dr. Ghali said.

"The Palestinians are, in fact, becoming more radical because of this and there is a worse danger—the Arab world is also becoming more radical."

Dr. Ghali appealed to the Israelis to inject a note of hope into the negotiations.

He urged Israel to look again at the 20-point memorandum Egypt had put forward in October 1978, asking for an amnesty on the West Bank and Gaza, the opportunity for divided families to be reunited, the withdrawal of Israeli army posts in the centre of Palestinian towns and a moratorium on the

building of new Jewish settlements in the occupied territories.

Dr. Ghali accused the Israelis of always wanting to postpone the Palestinian issue and said this was damaging Egypt's chance of playing a wider role in the region.

Egypt had been unable to call an Islamic summit conference on the Soviet Union's invasion of Afghanistan and to consolidate its relations with the African group of nations.

"Egypt is unable to play a leadership role in the Third World because of Israel," Dr. Ghali added that the opening of Egypt's embassy in Tel Aviv on February 26 would be merely a symbol. Egypt, at the moment, intended only to send about five diplomats. Any strengthening of the embassy staff would depend on the autonomy talks.

Mr. Begin spent yesterday sightseeing in Luxor. His final round of talks with President Sadat is due to take place this morning. Spokesmen from both sides expect them to concentrate on bilateral issues.

Saudi Arabia executes 63 for mosque attack

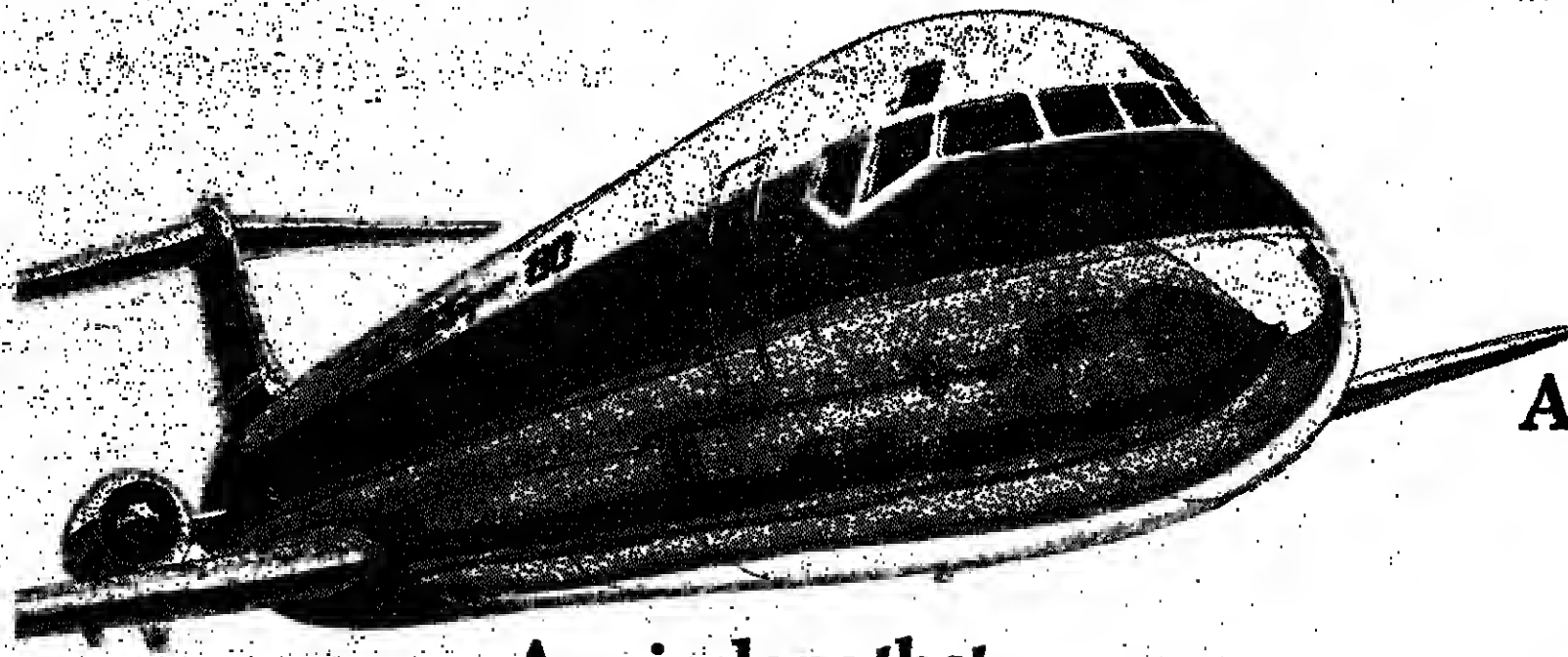
RIYADH—Saudi Arabia yesterday executed 63 of the religious fanatics who seized the Great Mosque in Mecca for two weeks last November.

An official announcement by the Ministry of the Interior said the executions were carried out in several cities.

The seizure of the Great Mosque was followed by a two-week battle between fanatics and Saudi troops, waged mostly in labyrinthine tunnels under the Mosque.

The Ministry of Information said yesterday that 143 attackers had been arrested. Of these 63 were executed, 19 have been sentenced to terms of imprisonment, and 38 were released as innocent; 23 women and children have been sent to corrective institutions "to be taught how to be good Muslims."

Revised casualty figures issued yesterday gave the number of security forces killed as 127 and those wounded as 451. Of the attackers, 75 were killed during the fighting and 27 died later in hospital. In addition 15 bodies were found in the tunnels.



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AMERICAN NEWS

Business task force sent to debt-ridden Cleveland

BY IAN HARGREAVES IN NEW YORK

A VOLUNTEER army of 80 senior executives from private business has been recruited to help the depressed and near bankrupt city of Cleveland, Ohio, out of its financial straits.

In a remarkable gesture of backing for Mayor George V. Voinovich, the 43-year-old Republican who in November ousted Mayor Dennis Kucinich, an outspoken and anti-establishment young Democrat, from the city's top office, local business is now rallying around the man it helped elect.

A task force headed by Mr. E. Mandell de Windt, chairman of the Eaton Corporation, will start work officially next week. It will seek ways for Cleveland to eliminate a \$111m financial deficit and then turn to the structural problems which in

the last two years have forced prolonged closures of the city's public schools and a deterioration in many already over-stretched services.

Senior managers are being provided free by 64 companies for a 12-week period. Companies and various foundations have also put up \$750,000 to finance a management consultancy study of the city's bureaucracy.

Mayor Voinovich has also nominated five businessmen to a special State Commission which will oversee the programme intended to lead to the city's financial recovery.

Like New York City, whose title of most financially pressed city has been stolen by Cleveland, the latter faces a long struggle to re-establish its

creditworthiness in order to start raising funds by issuing securities again.

New York has still not reached this position five years after the scale of its cash problems became evident. Cleveland is in a worse position, still being in default on a number of loans.

The involvement of business in Mayor Voinovich's assault on Cleveland's huge financial and social problems — 45 per cent of its black citizens are estimated to be out of work — was expected following what was a surprising Republican election victory in a traditionally Democratic city. The city council is still composed entirely of Democrats.

The previous Mayor, an



Mr. Mandell de Windt

iconoclastic figure in his 30s with the look of an ageing Beate, spent much of his period in office battling against Ohio banks and other members of the business establishment over his plans to solve the city's problems by huge increases in taxation.

Backing for 9.5% pay guideline

By Our New York Staff

PRESIDENT Jimmy Carter's pay advisory committee is recommending that the Administration raise its voluntary wage increase guideline from 7 per cent to a range of 7.5 to 9.5 per cent.

In a compromise hammered out between labour and business interests, the emphasis has come down on providing a figure which is acceptable to the President in his political campaign about the fight against inflation, but which does not antagonise labour interests, whose support is essential for Mr. Carter's re-election.

The details of the new guidelines will be completed in the next two weeks before going to the full Council on Wage and Price Stability.

The Council and the Administration are expected to endorse the new figures. To oppose them would be to risk revealing a split between business and labour members of the wage and price agency that would threaten its existence.

Although the activities of the council remain an important part of the President's political platform, the voluntary guidelines are not generally considered to have been very effective.

Most major pay settlements in the last year—notably the agreements of the Teamsters' Union and the United Auto Workers—have been outside the limits.

One major union, the Union of Oil and Chemical Workers, started a nationwide strike on Tuesday having turned down an offer of 9 per cent. Other major settlements due this year are in steel and heavy construction.

Nuclear power stations delay likely

By Our New York Staff

FURTHER DELAYS in an \$850m nuclear power programme in the U.S. Midwest are likely, partly because of increased safety consciousness about nuclear installations following last year's Three Mile Island accident.

Mr. John M. Arthur, chairman of the Duquesne Light Company and that the programme, already delayed by more than 36 months because of financing difficulties, lower-than-expected fuel demand, may well be set back further.

He also indicated that the companies involved are studying whether to substitute coal-fired generators for some of the planned additional seven nuclear units, which would have been completed between 1981 and 1988.

Mr. Arthur said that although Duquesne still preferred the nuclear option in principle, it was being obliged to reconsider its plan because of pressure from the Nuclear Regulatory Commission to fit new safety equipment to plants which had already been built.

One of Duquesne's existing nuclear plants was forced to stop refuelling for six months to make changes required after the Three Mile Island incident.

U.S. property prices start to fall

BY STEWART FLEMING IN NEW YORK

THE PRICE of houses in the United States may be declining, according to figures prepared by the National Association of Realtors and confirmed by statistics from the Federal Home Loan Bank Board.

The estate agents' trade association has been tracking house prices since 1968 since when the median price of a new home rose 185 per cent to \$56,300 by last October. But in November, the median price fell by \$700.

The bank board, which collects data on a different basis, has reported that in December the average price for previously-owned homes fell from \$65,400 to \$65,300.

Prices and the strength of the market diverge widely in different parts of the country. The hottest market in the past three years has been California,

where a typical middle income home can cost more than \$200,000.

The weakness of the market, which has also shown up to a sharp decline of new housing starts, is traced directly to the Federal Reserve Board's moves to raise interest rates last year, particularly in the October package. There has been a marked decline in the availability of housing finance and sharp increases in its cost with some lenders charging up to 14 per cent for loans.

Any decline in house prices is expected to be temporary, reflecting these factors. As interest rates fall and finance becomes easier the inflationary spiral will resume. But there have been fears that protracted and heavy decline in house prices could have serious repercussions, bringing the housing market to a standstill and possibly reducing the security for loans to a narrow margin.

The weakness in prices will also tend further to discourage lenders from advancing new loans against the security of homes, a practice which has pumped billions of dollars into the U.S. economy in recent years.

There was more bad news for the real estate industry yesterday when the Supreme Court decided that real estate brokers in New Orleans could be tried on anti-trust violations in relation to alleged price fixing by setting fixed commissions and splitting fees.

The case will be the first of its kind but already anti-trust investigations of real estate brokers are under way in more than a dozen states.

Oil price rises help bus and horse in Brazil
Motorists turn to exotic fuels

BY DIANA SMITH IN BRASILIA

IN 1970 a Brazilian motorist could buy a litre of petrol for half a cruzeiro — 1.2 U.S. cents at today's exchange rates. In January 1980 a litre of "petroleo," a mixture of 20 per cent cane alcohol and 80 per cent petrol, cost Cr 22.60, close to 55 U.S. cents. The last petrol price increase, which came in early December, before OPEC assembled in Caracas, was a shock 53 per cent. Now there are hints of another increase soon.

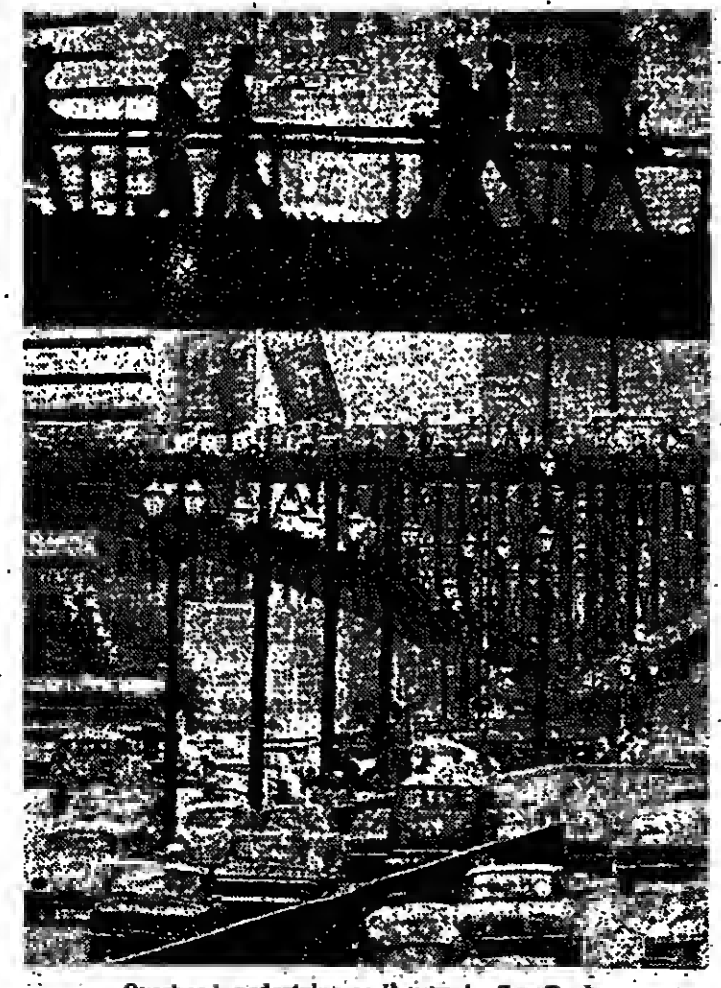
Many private motorists were driven to panic by the announcement of the new price. As they frantically tried to fill their tanks hundreds of them beat up or threatened to kill service station attendants who claimed stocks had run out.

For the authorities who had resolved to make motorists suffer for their car addiction, the impact in a city like Sao Paulo has been only just perceptible. Instead of coming to a total fuming standstill in the rush hour, this car-mad metropolis now crawls, thanks to a 5 per cent reduction in traffic. At the same time businessmen are discovering the joys of the underground.

In Brasilia, however, which has no underground and was designed as a monument to the private car as well as futuristic architecture, one car dealer is now commuting by horse. Well-dressed people have suddenly been spotted walking in ministerial areas where before only health-faddists or eccentric trod. And smart dinner party conversations include snippets like: "Today, I took a bus. It was awful."

Brasilia's buses, known as the "greater killer species," are indeed awful. But local transport authorities have put 48 new vehicles on the roads since December in the hope of inducing junior officials or ladies out for a morning's shopping to keep their cars in the garage.

In other respects the impact of successive petrol price rises is heavily visible. Government



Overhead pedestrian walkways in Sao Paulo.

cars and taxis are being converted to cane alcohol.

Cars now run on orange peel essence, butane, coal gas or whatever an amateur inventor can devise. Faced with a \$70m oil bill, a \$30m trade deficit in 1979, and an oil bill estimated to climb to \$10.5-12bn this coming year, the Government is in no mood to discourage research or development, however bizarre.

Throughout 1979 the authorities also rushed to diversify its sources of oil to reduce dependence on the Middle East. Previously Iraq was the largest supplier with 44 per cent,

followed by Saudi Arabia and Iran with about 14 per cent of the 1m barrels Brazil imported daily. Now Venezuela, Mexico, Nigeria and Angola have joined the list of Brazil's suppliers, each with modest amounts ranging between 20,000 and 50,000 barrels a day.

Towards the end of last year, Sr. Karlos Rischbieter, the Finance Minister, estimated that an oil price of \$35 a barrel would be the outside limit Brazil could tolerate. "Higher than that," he said, "and we will be in serious trouble." Now that limit is coming perilously close.

WORLD TRADE NEWS

Iran trade take-over to be delayed

BY SIMON HENDERSON IN TEHRAN

IRAN'S foreign trade is not to be nationalised immediately despite a statement announcing this by Mr. Abolhasan Bani-Sadr, the Finance Minister, two weeks ago.

Mr. Bani-Sadr, the Commerce Minister, said this week that no decisions on the nationalisation of trade had yet been taken and merchants can still export and import on the basis of current rules and regulations.

The confusion caused by the earlier statement is seen as being another example of the style of Mr. Bani-Sadr, who is also a French-educated economist, whose thinking is seen as

combining Marxist and Islamic thought. Previous statements on the nationalisation of banks and withdrawing assets from the U.S. have also come as a surprise.

Apparently when Mr. Bani-Sadr made his trade nationalisation statement, his colleague Mr. Reza Sadr at the Commerce Ministry was at that very moment outlining the facilities his department would soon be providing for private traders.

Trade nationalisation is, in fact, promised in the newly approved Islamic constitution. Under Article 44 foreign trade

is specified as being in the domain of the public sector.

But the scheme is no where near the implementation stage.

Even Mr. Bani-Sadr's own deputy minister, Mr. Cyrus Ebrahimpour, who had, according to a local journal, no prior knowledge of his Minister's statement, states that it would be unwise for the Government to embark on the programme without first creating the necessary framework. That, he has said, is a matter of years not months.

In a further statement Mr. Ebrahimpour told a Tehran newspaper this week that trade

nationalisation should be dealt with very cautiously.

Since Mr. Bani-Sadr's comments, however, the uncertainty over the future of foreign trade has been reflected in the market. Importers have had their enthusiasm for investment dampened, and only those with outstanding bank credit are reported to be continuing normally. New credit is said to be unlikely.

But new impetus could be given to the nationalisation proposal if Mr. Bani-Sadr is elected President in polls scheduled for January 25.

UK extends \$5m credit to Chile

By Hugh O'Shaughnessy

IN THE second of two recent British bank loans to Chile, Lazard Brothers this week signed a \$5m line of credit for the Banco de Chile to finance contracts for British equipment and services.

The loan, at 7 1/2 per cent for up to five years, is expected to be used for, inter alia, textile and other capital goods. Last month, N.M. Rothschild and Sons arranged another \$5m for Chile. Both transactions are guaranteed by the Export Credits Guarantee Department.

A spokesman for Lazard said the loan was arranged in response to a Chilean request for financing for imports of British goods. He expected it to help in a new expansion of British exports to Chile.

The suspension of ECGD cover for most exports to Chile since 1972 is said to have hit British exports. Britain bans the sale of arms to Chile.

Seven British trade missions are expected to visit Chile this year to re-establish the positions of British companies in the Chilean market.

The two loans come at a time when there is renewed speculation about the exchange of ambassadors between Britain and Chile. Britain recalled its envoy in Santiago in 1975. An agreement may be made by the Foreign and Commonwealth Office during this month on the resumption of envoys.

The ECGD has guaranteed a \$5m line of credit which Morgan Grenfell has made available to Banco de la Nacion of Argentina.

Call for ban on imports of U.S. synthetics

By John Hunt, Parliamentary Correspondent

A CALL for Britain to limit the import of man-made fibre yarn from the U.S. as an "interim protective measure" was made by Mr. John Smith, Labour Party spokesman on trade, yesterday.

In a letter to Mr. John Nott, Trade Secretary, Mr. Smith said the British man-made fibre industry was experiencing a crisis, because of the surge in imports from the U.S. He calls for immediate action within the terms of EEC regulations.

"These imports are sold cheap because the U.S. industry obtains artificially cheap energy feedstock. It is therefore wholly unfair competition."

Mr. Smith points out that imports of polyester filament yarn from America have increased from 7 to nearly 30 per cent between 1978 and 1979. "If this penetration of the U.K. market continues, there is a real danger that thousands of jobs will be lost in British industry and sections of it may be wiped out."

In April last year, the Council of Ministers decided that if artificial differences in the price of energy and petroleum raw materials available to certain synthetic fibre producers disrupted the Community textile market, then the appropriate action would be taken under GATT without delay.

Mr. Smith says the disruption has occurred. The Commission is discussing matters with the U.S. Administration but a report is not expected until next month. According to Mr. Smith, there is serious concern that the Americans are "stalling."

Angola order for ENI

By Paul Betts in Rome

NUOVO PIGNONE, the engineering subsidiary of the Italian state Eni Nazionale Idrocarburi (ENI) hydrocarbons group, has won orders for 14 turbo-compressor groups for the Cabinda offshore oil project in Angola. The deal is worth more than \$20m (£8.5m), the Italian company said yesterday.

The turbo-compressor groups were jointly ordered by the Cabinda gulf oil concern, a subsidiary of the U.S. Houston-based Gulf Oil group, and Congolano, the Angolan state oil company.

Tokyo groups sign oil contracts

BY RAY DAFTER, ENERGY EDITOR

TWELVE Japanese companies have signed oil supply contracts with Iran involving more than 500,000 barrels a day.

The National Iranian Oil Company is charging an average \$30 a barrel for contract oil, the same price that is being charged to European buyers, including the Royal Dutch Shell Group and British Petroleum.

Japan's International Trade and Industry Ministry said that half the supplies would cost \$28.50 (Iran's reference price) and the remainder would be bought at \$31.50. The amounts involved were said to be between 50,000 and 540,000 b/d, enough to cover about 11 per cent of Japan's oil needs. Last year Iran supplied 450,000 b/d, or about 10 per cent of Japan's consumption.

As part of the new deal Japanese companies must also import about 100,000 b/d of

high sulphur fuel oil. This is also similar to the deal with BP and Shell.

The 12 companies involved in the supply arrangements are: Mitsubishi, Mitsui, C. Itoh, Marubeni, Idemitsu, Kosan, Kanematsu-Gosho, Dai-ichi Oil, Nissho-Iwai, Nichimen, Nippon Kyodo Sekiyu, Showa Oil, and Sumitomo Shoji Kaisha.

BP has been assured of 125,000 b/d of crude oil by Iran while Shell has negotiated 95,000 b/d of crude supplies. In addition each company is to lift an estimated 1m tonnes of fuel oil over the next nine months. This would give the two companies a total of around 50,000 b/d of additional oil.

Iran has now committed over 1m b/d of its 3.5m b/d oil production, but some sectors of the industry are puzzled about which countries will receive the

bulk of the remaining contract supplies.

So far, Iran appears to have committed itself to supplying about 620,000 b/d to Japan (crude oil and fuel oil); 265,000 b/d to Shell and BP; 15,000 b/d to West Germany; 40,000 b/d to Korea, and 60,000 b/d to India.

As a new departure to its trading deals, Iran is also asking some of its customers, among them Shell and BP—to refine Iranian crude oil on behalf of the National Iranian Oil Company.

This trend, a complicating factor in international oil trading, is spreading, for it has been confirmed that Saudi Arabia's State-owned Petromin oil company is negotiating with a number of Western groups a deal whereby they will refine and market oil on Saudi Arabia's behalf.

Japanese Suez Canal proposals

BY RICHARD C. HANSON IN TOKYO

A JAPANESE feasibility study draft, to be presented to the Egyptian Government early this spring, recommends that expansion of the Suez Canal be accomplished by construction of a by-pass canal parallel to parts of the existing waterway.

The Japanese Government agreed to conduct the study late last year. It is also expected to provide official aid for the project (if accepted by Egypt). The expansion will follow completion of a "first phase" increase in the present canal's capacity.

The first phase, also financed in large part by low cost Japanese aid, is scheduled to be finished some time later this year. Three Japanese construction companies, led by Penta Ocean, won the contract then worth Yen 50bn in 1976.

The project is far from realisation, however. First, the Egyptian Government must decide whether the idea of constructing a by-pass canal is technically (and economically) desirable alternative.

The other options are widening or deepening the present route, both of which were considered by the Japanese team which visited Egypt late last year.

The Government has not yet disclosed what the cost of its by-pass recommendation might be. But it is assumed that it would be over \$1bn. A less expensive alternative (if one can be found) would probably be somewhat more attractive to the Egyptians.

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Ohira for Canberra energy talks

BY PATRICIA NEWBY IN CANBERRA

JAPAN'S Prime Minister, Mr. Masayoshi Ohira, will visit Australia next week for energy talks which should open the way for Japanese participation in a number of Australian development projects.

Mr. Ohira and Mr. Malcolm Fraser, Australia's Prime Minister, will discuss a proposed scientific agreement between the two countries which would allow Japan to participate through sale of technology and investment in solar energy and liquefaction of coal to oil.

Tokyo has already shown interest in establishing a multi-billion-dollar coal liquefaction plant in the State of Victoria, and it is likely that a joint feasibility study will be established by Australia and Japan after next week's talks.

Japan is also keen to take part in developing one of the world's biggest shale oil reserves at Rundle, in Central Queensland, in return for some of the crude produced there.

At present, oil exports from Australia are prohibited and it is considered likely that Japan

will seek a re-examination of this policy from Mr. Fraser.

The solar energy proposal at present being examined would result in a pilot plant of 2,000-3,000 kW to be built by 1981 in northern Australia using Japanese technology but financed by Australia.

Mr. Ohira will arrive in Australia next Tuesday and will leave on January 20, after a two-day visit to New Zealand.

The two Prime Ministers are expected to discuss the revived interest in a Pacific economic association.

Leslie Colitt, in Berlin, analyses the reasons for the decline of Britain's business presence in Eastern Europe

Hard time for UK goods

STATISTICS ON UK trade with Eastern Europe make depressing reading for a country which pioneered trade with the area in the early post-war years.

The reasons for the decline are, however, evident to anyone who spends time in Comecon, and they have little to do with the trials of dealing with state trading agencies or with changing five-year plans.

In the 1950s and 1960s, ownership of a British car was something East Europeans dreamt of, and the few Western cars on the roads were more often than not Austin Minis.

Today, the Czechs and Poles, who retain the greatest loyalty to British goods among East Europeans, are now beginning to erode the UK market with their own home-built Skodas and Polski Flats.

When Czechoslovakia's Tatra company recently to prove the merits of its 3.5 litre air-cooled luxury car, the Tatra 613, which is used to ferry about Government ministers and company directors, it staged a comparative test with a Rover 3500. The Tatra 613 is claimed to have won hands down.

The story, as told in a Press release by Mokotov, the Czech car export agency, revealed the extent to which the actual and imagined faults of British industry and its products have become a source of consolation to insufficient East European industries. Someone else, they tell themselves, is turning out even less acceptable goods.

Compared with the other major trading nations, the UK in 1978 had the lowest absolute level of exports to Comecon and the lowest share of total exports at 2.7 per cent. Seven per cent of West Germany's exports

went to Comecon, as did 4.4 per cent of Italian exports, 3.9 per cent of those from France and 3.5 per cent of Japanese exports.

Too many British companies continue to approach the East European market as a soft sell for British wares. The few which do not are still doing virtually all the exporting to the area, which amounted to a mere £721m out of total British exports of £30.7bn in the first nine months of 1979.

When sales failed to materialise, British businessmen tend to place the blame on state foreign trade organisations which allegedly favour the West Germans. It is argued that the Germans traditionally trade with East Europe and that East European engineers have been raised on German technology and German DIN standards.

British salesmen at East European trade fairs still tend to oscillate between early, usually groundless, optimism over their sales prospects and a rapid loss of interest when orders fail to develop. All too often the blame is shifted from the product which was supposedly "competitive" to the allegedly more favourable financing offered by foreign competitors.

One sales executive of a large British company that regularly exhibits at East European trade fairs reasoned that "We cannot deal with their demands for compensation, so why should we bother to even bid on the project?"

One salesman for a British truck manufacturer is certain that a Comecon country is about to buy a fleet of his vehicles after having made the last sale to that country over ten years

ago. He says he was told by the East Europeans "how extremely satisfied they were with the test vehicles they had used."

However, a British hanker with more experience in the market is puzzled by the optimism, noting that the Communist country in question has, in the past decade, only bought West German and Swedish equipment to its apparent satisfaction.

By contrast, the representatives of West German truck companies and chemical concerns also speak to in Eastern Europe view every Western competitor as a much greater threat than in fact be may actually be.

A West German executive of a British-owned food and drink subsidiary that sells to Eastern Europe, noted that, although the West German subsidiary also represents the parent company's line of products in Eastern Europe, in practice it is difficult to sell the British-made goods.

"In the past when we ordered from the UK head office, we were unable to get even German-language labels for the products, not to speak of Czech or Polish. Then the ordered products were delayed by either strikes or transport problems."

British embassy commercial departments in Eastern Europe, while usually extremely well-informed about foreign competition, cannot make up for industrial and commercial inadequacies.

Even the best information from the commercial departments is useless if it is not acted on by thinly stretched corps of British business in Eastern Europe.

U.S. paper consumption to rise

BY WILLIAM HALL

U.S. consumption of paper and board is expected to rise by 3 per cent per annum over the next decade, and by 1990 should amount to nearly 100m tons per annum. Over 90m tons will be domestically produced and some 7m tons will be imported.

According to a study, Paper and Pulp Demand to 1990, prepared by Predicasts Inc., U.S. paper production is expected to rise from an annual 27.3m tons in the 1976-78 period to 41m tons by 1990. Reasons for this growth include a rising proportion of domestically produced newspaper, rapid growth in information uses and a continued heavy demand for packaging.

U.S. PAPER AND BOARD PRODUCTION

	Output (million tons)	Annual Increase (%)	Historic	Projected
1976-78	1990			
Paper	27.3	41.1	3.2	3.2
Paperboard	29.0	42.2	3.0	3.2
Construction paper	5.4	6.4	2.7	1.3
Net imports	5.0	6.9	0.2	2.4
Total U.S. consumption	66.7	97.6	2.3	2.0

A number of negative factors will influence the growth rate, including competition from paper substitutes such as microfilm and the saturation of the fast growing consumer tissue market.

Paperboard production is

forecast to grow from an annual 29m tonnes in 1976-78 to over 43m tonnes by 1990. The study predicts that solid wood pulp furnish grades will continue to dominate the container market. It also predicts the exports of paper board will grow to 3m

tonnes per annum by 1990.

About 94m tonnes of fibre will be needed to produce 90m tonnes of paper and board. Wood pulp production in 1980 is projected at almost 70m tonnes and waste paper usage is expected to increase from 22 per cent of total fibre requirements to perhaps 25 per cent.

This will involve a near-doubling in wastepaper collection to 23m tonnes per annum by 1990. The report comments that this will require changes in U.S. procedures and attitudes to waste paper collection.

Pulp and Paper Demand to 1990, Predicasts Inc., 199, High Street, Orpington, Kent. (Price \$675 per copy.)



These days, car salesmen offer you the options list the way waiters offer you the à la Carte.

Leaving you to choose the fixtures and fittings according to your pocket.

A state of affairs which we find lamentable.

Hence, the appointments, generally found on the options lists of other cars, are already present in the Royale. For example, automatic transmission is standard. (You can have manual, if you prefer, at no additional cost.)

Nor is the car required to embrace a variety of humbler engines.

Only one is offered: a 2.8 litre 6-cylinder unit that accelerates the Royale to a top speed of 115 mph*.

Inside, the furnishings are such that even the most critical of travellers will find little to carp at.

The seats are covered in crushed velour with head

Is it vulgar to talk about value in a luxury car?

restraints at the rear as well as the front.

You can even adjust the driver's seat for height, as well as for reach and rake.

Additionally, the steering wheel can be tilted and the steering is powered.

Those interested in the smaller details will find

central locking for the doors, an electronic boot release, a sliding steel sunroof and radio/stereo cassette player.

While outside are double-skinned metallic paint, alloy wheels and a headlamp wash/wipe system.

In fact, the Royale's specification is so complete that the only option offered is air conditioning.

Your Vauxhall dealer will be glad to demonstrate these virtues to you.

And you'll find he hasn't the slightest inhibition about extolling the car's remarkable value.

SALON 1500 CC 1700 CC 1900 CC 2000 CC 2300 CC 2500 CC 2800 CC 3000 CC 3500 CC 4000 CC 4500 CC 5000 CC 5500 CC 6000 CC 6500 CC 7000 CC 7500 CC 8000 CC 8500 CC 9000 CC 9500 CC 10000 CC 10500 CC 11000 CC 11500 CC 12000 CC 12500 CC 13000 CC 13500 CC 14000 CC 14500 CC 15000 CC 15500 CC 16000 CC 16500 CC 17000 CC 17500 CC 18000 CC 18500 CC 19000 CC 19500 CC 20000 CC 20500 CC 21000 CC 21500 CC 22000 CC 22500 CC 23000 CC 23500 CC 24000 CC 24500 CC 25000 CC 25500 CC 26000 CC 26500 CC 27000 CC 27500 CC 28000 CC 28500 CC 29000 CC 29500 CC 30000 CC 30500 CC 31000 CC 31500 CC 32000 CC 32500 CC 33000 CC 33500 CC 34000 CC 34500 CC 35000 CC 35500 CC 36000 CC 36500 CC 37000 CC 37500 CC 38000 CC 38500 CC 39000 CC 39500 CC 40000 CC 40500 CC 41000 CC 41500 CC 42000 CC 42500 CC 43000 CC 43500 CC 44000 CC 44500 CC 45000 CC 45500 CC 46000 CC 46500 CC 47000 CC 47500 CC 48000 CC 48500 CC 49000 CC 49500 CC 50000 CC 50500 CC 51000 CC 51500 CC 52000 CC 52500 CC 53000 CC 53500 CC 54000 CC 54500 CC 55000 CC 55500 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UK NEWS

APPEALS TO GOVERNMENT FOR MODERNISATION AND CASH SUPPORT

Joint campaign call on new technology

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

DETAILED proposals for the Government to join unions and employers in a national campaign to spread the use of new technology in industry were put forward in separate papers to the National Economic Development Council yesterday by the Confederation of British Industry and the TUC.

At the same time, Mr. Jim Prior, Employment Secretary, submitted a paper that echoed calls from the CBI and TUC for companies to facilitate technological change by consulting employees more.

The TUC went further. It wanted trade unions to claim the right to negotiate "new technology agreements" with employers before changes were introduced.

One claim for those agreements would be that working hours should be cut. However, the CBI and Mr. Prior gave warnings yesterday against cutting hours unless productivity improvements were achieved.

The CBI's main proposal was for a co-ordinated programme of work on adopting technological change involving the Government, employers and trade unions.

It is to be detailed this month in a CBI discussion document called "Jobs - Facing the Future". Yesterday's paper listed several tasks for the programme:

- Obtaining as much agreement as possible on the extent of potential unemployment and, particularly, the manpower implications of micro-electronics;
- Improving productivity - which requires change in attitudes by unions and employers;
- Improving the effectiveness of the labour market to ease skill

mismatches and improve mobility;

- Examining the cost and employment implications of early or flexible retirement;
- Examining the role of education, training and retraining in preparing people for work and for changes in their working lives;
- Examining measures to reduce working time against the criteria of competitiveness and flexibility.

In addition, the CBI said that employers should improve the outlook for increasing employment.

They should work towards improving productivity by increasing communication and consultation with employees, especially over introducing new technology. They should also examine the impact of pay structures on motivation and look into manning levels and training.

Strategies

Employers should develop manpower strategies on recruitment, training, job security, redeployment, resettlement and redundancies.

They should also develop strategies on terms and conditions of employment, in particular on working hours and on merging manual and staff workers in single status agreements.

Employers, the CBI said, should decide how to respond to wider social pressures relating to issues such as youth unemployment, education, preparing young people for work, and the need to create new job opportunities in areas of industrial decline.

"At this stage we think it is more important that agreement is reached on the issues on which work is needed than on the mechanics of actually doing the work," the CBI said. It proposed soon to initiate discussion on the areas mentioned.

The TUC said in its paper that there should be a "national framework" agreed with the CBI and the Government to "promote action at company level."

It wanted new technology agreements struck by employers and unions to ensure that "the benefits of the new technology are maximised and equitably shared and the costs minimised."

Those agreements would be based on requirements drawn up by the TUC last year. They include negotiation on changes in working practices; improved trade union organisation; provision of information by companies; agreements on employment and output; improving retraining; reducing hours of work; improving pay rates; and health and safety matters.

The TUC also called on the NEDC yesterday to give "specific and detailed attention to the skills requirement of the micro-electronics revolution."

It said British companies should be "more adventurous in applying the new technology." There was also a need for Government support for building up electronic industries.

In his paper, Mr. Prior gave details of the Government's training and retraining work and said Ministers were considering proposals from the Advisory Council for Applied Research and Development for better co-ordination and organisation of assistance to companies.

Government help sought by process plant industry

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

THE PROCESS plant industry appealed for Government help at yesterday's meeting of the National Economic Development Council. In a report submitted to the council it warned that without help it would not survive at its present strength until the late 1980s, when new energy projects were started.

The report of the process plant economic development committee, which was submitted to the Council, says 30-40 per cent of the industry's market is in the public sector. The Government could help the industry in winning major contracts; through standards and specifications; by supporting research and development through the research establishments; and by the leverage it could exert to stimulate the industry to attain the highest levels of performance.

The committee, recognising the industry's need to improve its performance, has initiated steps to improve resource utilisation, technology, and product relevance. These steps, which have been endorsed by employers, trade unions and Government representatives on the committee, are being communicated to the industry through company visits, and seminars.

Britain's process plant industry, which designs, manufactures and supplies complete plants and individual plant items is the fifth largest in the world.

The committee says the home market, to which the industry is heavily orientated, is likely to remain depressed until the late 1980s when a big programme involving nuclear and coal development will start.

But the report warns that unless decisions are made now and in the near future, the industry will contract severely, and there is a high risk that much of the process plant required in ten years time will have to be imported.

Process plant contractors and manufacturers face powerful competition from the U.S., Japan, Germany, France and Italy and from emerging industrial countries such as India, Venezuela and Indonesia. The report warns that process plant industries are also developing in Taiwan, Korea, Brazil and Mexico, where cheap steel and low wages combine to make them a growing threat.

The process plant EDC was re-formed last autumn under the chairmanship of Sir Cyril Pitts. The report which went to the Council yesterday was the first from the new EDC.

New plea for oil inquiry

BY PHILIP RAWSTORNE

LABOUR MPs will renew demands in the Commons next week for a parliamentary inquiry into Rhodesia oil sanctions busting disclosed by the Bingham Report.

Despite a decision by a free vote of the Commons last year to hold a special inquiry, Mrs. Margaret Thatcher said in December that the Government did not intend to proceed with further investigations.

Sir Michael Havers, Attorney-General, had earlier told MPs that the Director of Public Prosecutions had decided against any prosecutions of the oil companies alleged to have been involved in sanctions busting.

Opposition dissatisfaction with the handling of the affair has been revived by the publication of an annex to the Bingham Report which had been previously withheld.

Due to an administrative mix-up, MPs were not informed that the annex was available in the Commons Vote Office on December 20, the day before the House rose for the Christmas recess.

The annex, headed "Evidence of Criminal Offences," collates references to evidence in the main report which "may be relevant when considering any possible criminal liability" on the part of various oil companies.

OBITUARY

Sir Charles Curran

THE REAL achievement of Sir Charles Curran, director general of the BBC from 1969 to 1977, who died yesterday aged 58, was to preserve the corporation's identity unmarked in spite of severe onslaughts from a variety of outside sources.

Sir Charles found himself acting as defender while Government, financial constraints and pressure groups concerned at broadcasting standards all tilted at the BBC's much-prized independence. After the free-wheeling liberalising 'sixties' the BBC was plunged into a series of political brushes, the worst being the *Yesterday's Men* episode, which included the constant bickering over Northern Ireland news coverage. The remarkable achievement of the BBC in the seventies - Curran's decade - was that it survived despite constant threats of dismemberment.

His successor, Mr. Ian Trethowan, inherited an empire little altered, although Curran did realise one of his ambitions by relaxing direct control of central authority without shedding any ultimate power.

Sir Charles was the son of an army schoolmaster. A bright youngster, he won a scholarship to Magdalen College, Cambridge, where after an interruption for war service, he took a double first. He joined the BBC

soon afterwards. Apart from a short break in journalism, he remained there, rising rapidly as an administrator. When he was appointed director general under Lord Hill's chairmanship, he was regarded as a grey figure, although this was soon disproved.

Increasingly, Curran moved into the limelight, beating off assaults with a vigour which often owed more to indignation than to diplomacy, and all the time dealing with an organisation which was ever more hard pressed financially.

Sir Charles left the BBC with something which seemed very much like relief to become managing director of Visnews, the television news agency. He soon became broadcasting's "elder statesman," free of the encumbrances of his BBC role, but ever eager to continue his campaign in its defence.

His acerbic public attitude to the various Downing Street incumbents, and to such other critics as Mrs. Mary Whitehouse, were not reflected in his relationships at a personal level, where he showed himself to be an amiable conversationalist and a helpful friend.

He leaves a widow, a married daughter and one grandchild. Sir Charles died after a heart attack at Barnes General Hospital in Hertfordshire. AS.

Wealth still concentrated

BY DAVID MARSH

THE RICHEST 1 per cent of the population own more wealth than the bottom 80 per cent; and the top 10 per cent receive five times the average income of the lowest 50 per cent. These are two of the principal points highlighted by the Royal Commission on the Distribution of Income and Wealth in its final report released yesterday.

Summarising the Royal Commission's findings on the spread of income and wealth in Britain during its five years' work, it is the last publication following the Commission's winding up by the Government

last July. The Commission also records that almost three quarters of the lowest paid workers in Britain are women, in spite of a 50 per cent increase in women's earnings over the last two decades compared with men's.

Wealth is still highly concentrated, with 25 per cent of wealth owned by 1 per cent of the population in 1976. The proportion of total wealth in the hands of the richest 1 per cent has fallen from about 60 per cent in the early 1920s, and even in 1966 the share was 31 per cent.

If pension rights are included as wealth, the present share of the lowest 80 per cent is almost doubled. In 1976, homes made up 37 per cent of wealth and company shares 10 per cent, against 19 per cent and 21 per cent respectively in 1960.

The proportion of ordinary shares traded on the Stock Exchange which are in the hands of individuals has fallen with the balance taken up by pension funds, insurance companies, and other institutions.

An A to Z of Income and Wealth: Royal Commission on the Distribution of Income and Wealth; HMSO; £1.25.

BNOC plan attacked by TUC

THE TUC has attacked the Government's plans for injecting private capital into the British National Oil Corporation.

To allow the corporation, "a national asset," to slip out of public control would be "a betrayal of our national interest," the TUC said.

The TUC would press the Government to ensure that the corporation remained under public control.

The Government is expected to announce its plans for reorganising the corporation in a few weeks. They are likely to include the splitting of its interests, with the oil trading arm still fully State-owned and private investment invited into the oil exploration and production wing.

Ford leads sales and imports

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

NEW CAR sales in the UK reached a record 1,716,275 last year, according to the Society of Motor Manufacturers and Traders' statistics released today. Imports took 56.28 per cent of the market compared with 49.32 per cent in 1978.

This was over 3 per cent higher than the previous peak of 1,661,699 achieved in 1973 and nearly 8 per cent up on the 1978 total.

Ford was not only market leader last year but also by far the most important importer. Ford's imports represented 13.8 per cent of the total record market, compared with the 5.97 per cent share achieved by Datsun of Japan, the leading "traditional" importer - as distinct from such companies as Ford and Vauxhall which have long-established domestic facilities.

Of the 485,559 new Fords registered in 1979 about 48.31 per cent were assembled outside the UK compared with 55.2 per cent of the 392,366 sold the previous year. Even so, Ford fell marginally short of its target of capturing 30 per cent of the 1979 market. It ended with a 28.29 per cent share.

BL, which had started the year hoping for 25 per cent, did not even manage to retain a 20 per cent share. Although it remained the major UK car manufacturer - 320,278 of its British-built vehicles were registered compared with 248,550 British-built Fords - its market share slipped from 23.48 per cent in 1978 to 19.63 per cent.

Apart from the Ford plants in West Germany, Belgium, Spain and Ireland, Continental manufacturers gained most from the buoyant market last year.

The EEC manufacturers' share (excluding their British plants) jumped from 32.61 per cent (522,248 cars) to 38.2 per cent (655,559 cars).

Renault increased its penetration from 4.87 to 6.45 per cent. It will certainly overtake Datsun as the leading importer this year, because the Japanese company will be constrained by the voluntary restraint on shipments.

The Japanese stood by their undertaking to the SMMT to take a "prudent" view of the UK market last year. Their share slipped from 10.96 to 10.78 per cent. In volume terms Japanese car sales were up from 174,494 to 185,084.

Datsun made a spectacular end to last year, taking more than 11 per cent of the market and having four cars in the "top ten" - the Sunny at 6, and Bluebird at 8, the Violet at 9 and the Cherry at 10.

The company said this was because dealers were selling out dated 1979 cars at reduced prices to improve cash flow.

Among the 1979 "winners," Volkswagen/Audi pushed up its market share from 3.97 to 4.44 per cent. The importing company is a Lorch subsidiary. The Lex group offshoot which imports Volvo cars also had a good year with its market share increasing from 1.88 to 2.13 per cent.

Vauxhall's production problems put it among the "losers." Not only did its market share fall severely - from 8.22 to 6.94 per cent - but so did the number of Vauxhall cars registered.

UK CAR REGISTRATIONS

	1979	%	1978	%	1977	%	12 months ended December	%
Total UK produced	268,835	40.70	287,750	46.66	750,366	43.72	806,872	50.68
Total imported†	40,995	59.30	32,870	53.34	965,909	56.28	785,067	49.32
Total market	66,930	100.00	61,620	100.00	1,716,275	100.00	1,591,939	100.00
Ford*	20,728	30.97	10,469	16.99	485,559	28.29	392,366	24.65
BL*	10,803	16.14	16,276	26.41	336,984	19.63	373,793	23.48
PSA-Chrysler*	4,361	6.52	6,486	10.53	119,433	6.96	112,562	7.07
Citroen	1,431	2.14	1,360	2.21	34,015	1.98	31,957	2.01
Peugeot	1,321	1.97	1,416	2.30	37,980	2.21	31,345	1.97
Total PSA	7,112	10.63	9,262	15.04	191,428	11.15	175,864	11.05
General Motors - Vauxhall*	3,721	5.59	5,692	9.23	112,395	6.54	130,993	8.22
Opel	954	1.43	915	1.48	27,216	1.58	22,199	1.40
Other GM	75	0.11	71	0.11	1,330	0.08	897	0.06
Total GM	4,750	7.08	6,678	10.84	140,944	8.21	154,089	9.68
Datsun	7,406	11.07	2,733	4.44	107,395	5.97	101,735	6.39
Renault	4,076	6.09	3,287	5.33	93,468	5.46	69,627	4.37
Fiat	1,977	2.95	2,774	4.50	70,426	4.12	72,192	4.50
VW/Audi	2,716	4.06	2,825	4.58	76,288	4.44	63,222	3.97

* Includes cars from companies' Continental associates which are not included in the total UK figures.

† Includes imports from all sources including cars from Continental associates of UK companies.

Sources: Society of Motor Manufacturers and Traders

Pension scheme rules criticised

BY ARNOLD KRANSDORFF

LACK of information about pension liabilities in company accounts was strongly criticised yesterday by Mr. Michael Renshall, a partner in the accountants Peat Marwick Mitchell, at a Financial Times conference in London on problems in accounting.

He described present disclosure requirements as inadequate, and said pension schemes were "one of the most obscure areas of financial reporting."

The Accounting Standards Committee was expected to publish an exposure draft on pensions in the next few months, he said.

He called on the committee not to be "too prescriptive" in its recommendations on pension accounting at this stage.

"It should instead go first for encouraging more disclosure about pension schemes," he said.

The draft should be confined to certain areas. He suggested that the amount charged to the profit and loss account relating to pensions should be separately disclosed, showing prepayments, past service payments and deficiency costs.

Companies should be urged to disclose the extent to which they invested the funds of a scheme in their own business. He estimated that there were about 100,000 pension schemes, of which about 1,000 had more than 1,000 members.

Overall, employer contributions to private-sector schemes totalled more than £2.5bn, over 12 per cent of eligible salaries. It was difficult to predict how long it would take for the committee to publish a fully-fledged standard on the subject. "This will depend on how much

turmoil the exposure draft creates." An agreed standard on inflation accounting for large and listed companies could be ready by the end of March, said Mr. Douglas Morpeth, chairman of the Accounting Standards Committee steering group on inflation accounting.

He thought the committee would make no basic changes to the standard for about three years.

Mr. Morpeth, who is chairman of the board of partners of Touche Ross & Co., said the steering group and committee were very conscious that the last few years had been fluid to say the least in attempts to introduce a method of accounting to reflect price changes.

"What is needed now is a period of stability, once the standard is in operation. Other standards will of course be issued such as on leasing, pension funds accounting, foreign currency translation, and they will take into account the existence of the standard on CGA."

The committee has to agree the standard by ballot in mid-February.

Among the main changes to the draft on inflation accounting is definition of a large company, which Mr. Morpeth said would be based on the proposed definition in the fourth directive, which would be enacted into legislation next year.

A company must satisfy two or three criteria to be classified as a large company: a turnover of at least £5m a year; a balance sheet total of £2.5m as shown in historic cost accounts; and an average number of employees greater than 250 in the UK.

Encouragement would be given to companies to quote comparative figures, and figures in five-year statements adjusted to a common price basis. The

committee intended to make an exposure draft "as soon as possible" on how this could be done.

"I believe that most people now recognise that the historic cost system has been shown up as a fallen idol by the period of inflation through which we have been going. We can no longer say that the HC enables us to do other than mislead."

Mr. Barry Riley, editor of the *Lex* column in the *Financial Times*, spoke of developments in segmental data. He called for improvement in techniques of presentation of segmental information in annual reports. There would be advantages if the data was presented in a standardised tabular form.

It was important that data on capital employed be disclosed on a segmented basis, allowing calculation of returns on capital.

Some way must be found of defining different segments in enterprises normally considered wholly or largely in a single industrial classification.

Equity stakes of less than 20 per cent could be treated as an associate item in profit and loss

account if new recommendations were accepted by the committee, said Mr. Martin Gibbs, senior research partner at the stockbrokers Phillips and Drew, and a member of the committee's review body.

The rule in the associate contributions apply to stakes of between 20 and 50 per cent, a concept enshrined in SSAP1, the accounting standard on associate companies, now being reviewed.

The proposed change means that the UK will abandon the rigid cut-off at 20 per cent of the equity voting rights, and brings the definition of an associate company closer to that in the U.S. and internationally.

It is proposed that companies separate the balance-sheet value of associates into goodwill including premium on acquisition and other net assets.

Mr. Gibbs said the exposure draft was open for comments until March. The new rules would become effective late this year or early next.

Referring to the proposed changes in balance sheet presentation, Mr. Gibbs said that the loans to and from associates should be grouped with the shareholding to show total net investment in associates.

Amounts relating to associates in trade debtors and creditors should be disclosed, if material.

A call to rationalise the various accounting bodies was made by Mr. P. J. Custis, director of finance of Gnest Ken and Nettelfolds.

There were six separate accounting bodies, each holding a Royal Charter, in addition to the Association of Corporate Treasurers. "Separate operations are wasteful of limited resources. Either integration or federation is urgent," he said.

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Atkins tries to defuse Ulster talks

BY STEWART DALRYMPLE IN BELFAST

IN AN attempt to keep his troubled constitutional conference on Northern Ireland alive, Mr. Humphrey Atkins, the Secretary of State, yesterday tried to defuse the talks of any discussion about the most contentious issues: Irish unity and security.

At the end of the first three-day session, the Northern Ireland Office issued a terse statement saying that delegates of three of the four political parties who are attending the talks have agreed to adjourn and meet again on January 21.

It has clearly emerged, however, that the delegates have not been able to agree on what should be discussed. Mr. John Hume, leader of the Social Democratic and Labour Party and the main Catholic representative taking part, has insisted that some discussion of the so-called Irish dimension should be included in the conference. In this he has been fiercely opposed by Mr. Ian Paisley, the main Unionist representative.

At the end of the first session Mr. Atkins issued a vaguely worded statement saying he would invite the leaders of the four parties to meet him to discuss certain matters outside the task of the conference as defined in the working paper.

In other words, Mr. Atkins has been seen to try to centre any discussion of the Irish dimension and security, which is Mr. Paisley's apparent major concern at present, to separate talks.

There is no suggestion as yet that Mr. Atkins will try to run two conferences, but rather that he will try to talk in the various parties on a bilateral basis about the vexed issues.

This would allow the conference to return to the original terms of reference outlined in the discussion document of last November. This ruled out any discussion of the Irish dimension and security. It concerned itself with methods of developing more power to local politicians and outlined six possible models.

These ranged from a return to a fully devolved decennial legislature along the lines of the Stormont Parliament, which was Unionist-dominated and was abolished in 1972, to a system of local councils with executive authority but little legislative power.

Britain 'lives on tick'

By John Hunt, Parliamentary Correspondent

A STRONGLY-WORDED warning about the tremendous burdens imposed by the size of the Government sector debt was given yesterday by Mr. Patrick Jenkin, Social Services Secretary.

"The towering, frightening" volume of public sector debt and the enormous burden of interest needed to service it, is one of the most ominous threats the country faces, he told a meeting in Oldham, Britain had to live within its means. The harsh fact was that the nation was living on "tick."

For each of the three years - 1978-79 to 1980-81 - the nation would have to find £10bn simply to pay interest on the Government debt.

That was more than the entire spending on health and personal social services, more than the spending on education, science, the arts and libraries, and more than the total defence budget.

The situation had arisen because successive governments had spent more than they earned and had made up the difference by borrowing. Clearly, this could not continue.

NEWS ANALYSIS-WIDE NEW POWERS FOR OFFICE OF FAIR TRADING

Car industry among targets

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE OFFICE of Fair Trading has started its preliminary investigations into which companies and anti-competitive trade practices should be examined under the Government's new Competition Bill.

The Bill is not expected to become law until late February or early March, but the office, aided by former staff from the defunct Price Commission, is evaluating likely targets for investigation. It cannot, however, use its new powers until after the Bill becomes law.

Among these are the car distribution network and nationalised industries. Several other areas are also being considered.

The Government has already announced that the first investigation to be carried out by the strengthened Monopolies and Mergers Commission will be into British Rail's south-eastern commuter services.

But industry is becoming increasingly aware just how much power the Office of Fair Trading will wield under the new legislation.

Unlike the old Price Commission investigations, which were sparked off by companies giving notice of intended price rises to the Commission, the office will have the virtual freedom to investigate any "course of conduct which has or is likely or intended to have, the effect of restricting, preventing or distorting competition."

Existing competition legislation, such as that covering monopolies or restrictive trade practices, involves much closer definitions of activities deemed detrimental to a competitive environment.

But to prevent companies from finding loopholes in the competition laws, the Government has decided to keep the definition of anti-competitive practices as vague as possible.

Under the Competition Bill the Office of Fair Trading, once it has identified possible anti-competitive practices by a single company or group, will carry out a short preliminary investigation to establish whether a prima facie case of limited competition exists.

This investigation can be vetoed by the Secretary of State during the first 14 days. On its completion the office will publish a report defining the anti-competitive practice and stating why it should be investigated by the Monopolies Commission.

At this stage companies can give undertakings to the office that they will end the practice and thus forgo the need for an investigation.

If no undertaking is made or accepted then, within eight weeks of the report being published, a competition reference will be made to the Monopolies Commission, which has six months to complete its part of the job.

If the Commission confirms the existence of an anti-competitive practice, it will then consider whether or not this operates against the public interest (a criterion the Commission has to use under its monopoly and merger investigations).

If this is the case, the Secretary of State has wide-ranging powers to order the company or companies to end the practice. These include regulation of a company's prices.

Other investigations can be referred directly to the Commission by the Secretary of State. The inquiry in British Rail's services will fall into this category.

Although the Office of Fair Trading has a wide latitude in determining which cases to investigate, it has found the task more difficult than had at first seemed likely.

The reason is that many anti-competitive practices that it considers should be investigated have already been inspected by the old Price Commission, the Monopolies Commission, or the office itself as part of its previous action to promote competition.

Two particular practices, for example, which would probably have been considered are full-line forcing (the practice of forcing a purchaser to buy the full range of goods offered by a supplier and not just those the purchaser wishes to buy), and tie-in sales (tying the sale of one product to the sale of another).

Both these areas, however, are already under investigation by the Monopolies Commission under its existing powers. Similarly, the Commission is investigating the practice under which manufacturers give discounts to larger retailers.

A clue to the likely areas of investigation was given by Mr. Gordon Borrie, Director General of Fair Trading, in his recent Shell lecture.

Mr. Borrie emphasised "that it is unlikely that a firm's practices could be considered anti-competitive unless it had significant market power."

Further clues to the criteria of anti-competitive practices to be considered will be found in the Green Paper published early last year, which reviewed restrictive trade practices policy.

Mr. John Nott, Trade Secretary, has made it clear several times that parts of this paper spell out the Whitehall thinking on the new competition powers.

One of the main points made in the Green Paper is that "many kinds of anti-competitive behaviour are intended to create, or have the effect of creating, barriers to market entry, with the result that it becomes more difficult for firms, especially small firms, to establish themselves in or to venture into new markets."

But the Green Paper acknowledges that there are difficulties in determining whether anti-competitive practices operate against the public interest.

An exclusive franchise or dealing, for example, may be an anti-competitive device when operated by a dominant company, but it may also provide a means by which a new entrant can establish a foothold in the market.

Nonetheless, the office is known to be looking especially closely into such sectors as the car industry. In particular the car components industry is being considered for investigation, following one of the final Price Commission reports into the industry.

Another area under review is the car transporter trade, which the Office of Fair Trading has been closely watching for the past two years.

The office may also decide to use its new powers to investigate allegations of manufacturers refusing to supply discount retailers. Both the Tesco and Argus stores groups have recently complained about manufacturers refusing to supply them with goods.

The office is likely to steer clear of such politically sensitive areas as the baking or brewing industries, but may consider the gas or electricity industries potential targets for investigation.

Coal 'will be leading fuel for industry'

FINANCIAL TIMES REPORTER

COAL WILL be the leading industrial fuel in the year 2000, a senior official at the Department of Energy told an inquiry yesterday.

Mr. Philip Jones, a Deputy Secretary of the Department responsible for co-ordinating energy policy, forecast the fuel "pecking order" for the year 2000, with coal ahead of gas, and electricity and oil, joint third.

It was the second day at the inquiry at Stoke Rochford, Lincs, that Mr. Jones lent strong support to the NCB's plans to create new coal mines. The Board is aiming to dig three pits in the Vale of Belvoir area of North East Leicestershire.

"We would see a declining role for coal in power stations but markets for coal in other areas will expand," Mr. Jones said.

His department had studied coal's prospects beyond the year 2000 and although this was "very difficult and speculative" they concluded that prospects are bright with coal expected to expand in the synthetic gases, synthetic oils and petrochemical fields.

During more than five hours of questioning by Sir Frank Layfield, QC, for Leicestershire County Council, Mr. Jones repeatedly declined to put actual prices on his predictions, and said that if he did, people would try to estimate future wages of miners.

Mr. Jones said his department assumed the coal industry would be back to viability very shortly, and the Secretary of State would be making a full statement on the Government's financial objectives for coal in about a month's time. He said the Government would not change the proposition that coal, in line with other nationalised industries, was required to obtain a 5 per cent return on new investment.

Planned approach urged for redundant managers

FINANCIAL TIMES REPORTER

COMPANIES are not doing enough to cope effectively with the problem of executive redundancy, according to the Institute of Personnel Management (IPM).

In a special survey published today, it said too much emphasis was placed on compensating redundant executives financially and not enough on formulating a planned approach to deal with the problem.

Such an approach would incorporate, for example, career counselling, the use of sabbaticals to keep executives up to date on specialised knowledge, and preparation for early retirement.

The survey said that only 60 per cent of organisations had any formal procedures for dealing with redundant executives. General managers and production managers were the most affected.

The survey said that methods of recruitment were satisfactory, with the exception of the Government's Professional and Executive Recruitment Service, which was criticised for an alleged lack of industrial and commercial knowledge, and administrative incompetence.

Internal promotion is the most popular method for executive recruitment at all levels, but the use of selection consultants and executive search organisations increases for more senior positions.

Salisbury flights resume

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH AIRWAYS yesterday resumed air services between the UK and Salisbury in Rhodesia after a break of 14 years.

There will be twice-weekly Koeber 747 flights between London's Heathrow airport and Salisbury via Nairobi, leaving London on Wednesdays and Fridays and returning on Thursdays and Saturdays. The flights will carry passengers and cargo.

Mr. Ross Stinton, chairman of British Airways, who travelled on the first flight to Salisbury yesterday, said the airline expected as many as 37,000 businessmen and tourists would fly between the two countries in the first year.

British Airways intends to increase the frequency of flights to Salisbury in the spring. It believes trade between the two countries could quickly reach £200m a year.

Mr. Gerry Draper, director of commercial operations for the airline, said BA expected to carry thousands of holiday-makers this year, including many from the U.S. It is already planning package holidays in Rhodesia.

EEC team sees flood damage

THREE EEC officials yesterday inspected flood damage in South Wales following a request for Community aid by Mr. Nicholas Edwards, Secretary for Wales. They toured badly hit areas in the valleys and later had talks with Mr. Edwards in Cardiff.

The floods, just after Christmas, were the worst to hit South Wales for 20 years. The cost is expected to run into many millions of pounds.

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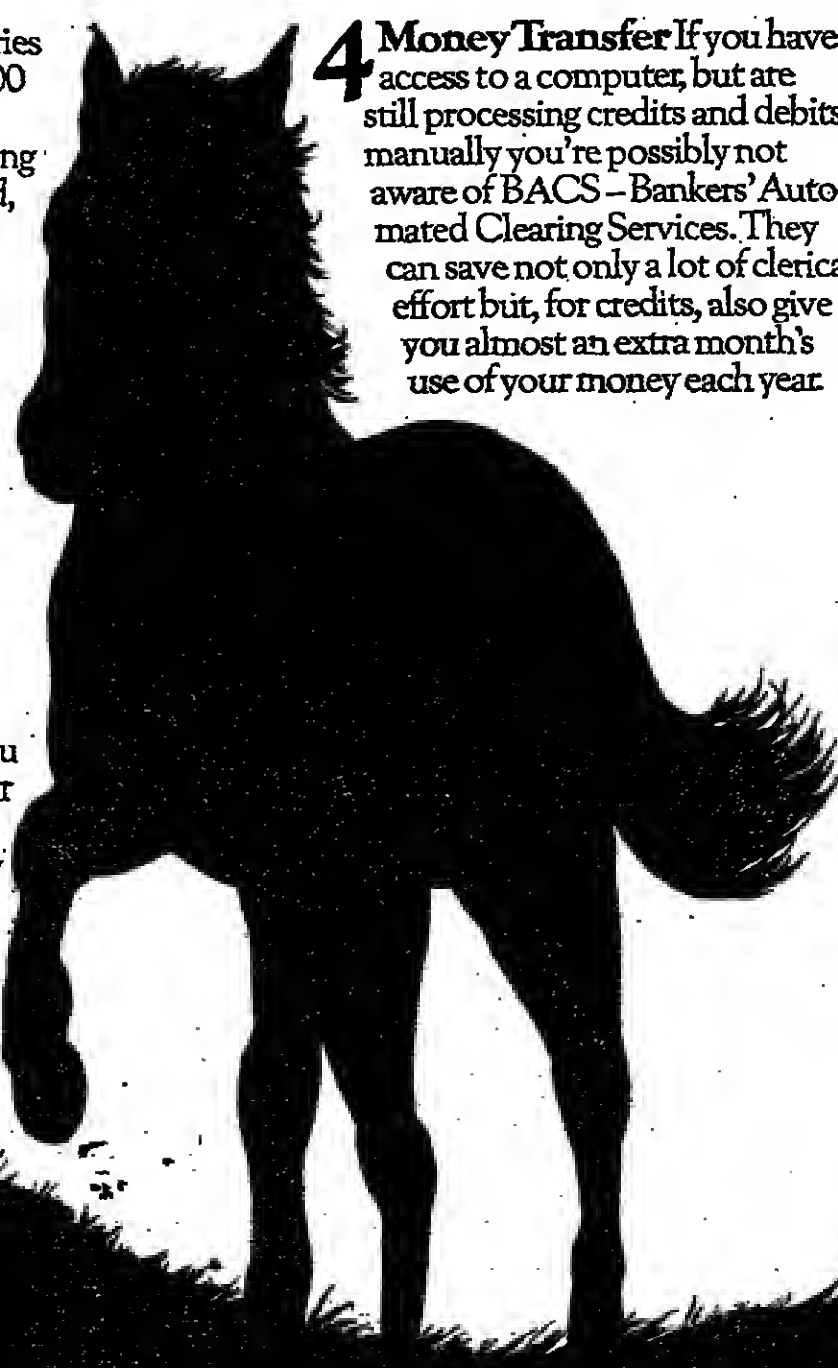
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UK NEWS

Industry fears early blow to output

BY ROY HODSON

Industry is becoming less confident of its ability to withstand a steel strike for up to six weeks without a fall in production.

Effective picketing of steel movements, steel stocks and steel imports is forcing a number of companies to the strike enters its second week.

The International Steel Trade Association, the largest body concerned with steel trading, sent a message to the Government last night claiming that "the effect of the strike with its picketing is worse than has been reported in the Press."

The Confederation of British Industry warned yesterday that there will be serious consequences if the strike drags on. In his first major statement

since the strike began, Sir John Methven, the CBI director-general, forecast that British industrial output could dry up and that thousands of jobs would be lost if the strike continues.

At least two big British manufacturing companies which purchase processing plant worth many millions of pounds each year have switched orders to foreign plant makers during the past few days. The decisions are based on fears that orders placed with British process plant makers may be delayed by steel shortages.

Mr. Harry Hornsby, director of the Process Plant Association, whose members use nearly 1m tonnes of steel a year, said yesterday that such fears could not be justified. Orders placed



now would not require steel for fabrication for about 10 weeks. By then his members expected the strike to be over, and British Steel would be in a position to make up steel order backlogs by special imports.

Stocks of steel at factories and in stockholders' and merchants' warehouses will total about 4.5m tonnes. Steel consumption in Britain has been

not handle any steel exports to Britain during the strike. Similar action by Swedish seamen and transport workers is expected, and could halt all trade between Sweden and Britain in steel products.

Sweden has a big traditional business with Britain in special steels.

Many of the International Steel Trade Association members have goods in British warehouses which have been in stock since well before the strike but cannot be delivered because of union action.

The association stated: "At local level, particularly at the ports, certain trade unionists seem to have taken it upon themselves to decide just who may, and whom may not, move steel."

Selective picketing in Midlands is 'spasmodic and light'

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

Ductile Steel in the West Midlands, was eased yesterday, enabling the company to recall 200 workers laid off.

Mr. Norman Dukes, group works director, said following talks with the Iron and Steel Trades Confederation, that the union had now imposed "a monitoring team" rather than a blanket picket. The union would inspect deliveries to ensure that no foreign or British Steel Corporation products were used.

The West Midlands region of the Confederation of British Industry said last night that picketing was "spasmodic and light." Some six or seven stockholders had been affected. Mr.

Reg Parkes, chairman of the regional council, said member companies were determined to maintain production.

Most companies had on average four to six weeks' supply. The only real threat would come if a key component was denied to a company such as B.L.

Mr. Roy Bishop, Midlands divisional officer of the ISTC, said the CBI was "merely trying to put a brave face on the situation." Some 300 men were picketing 26 sites in the region, and the steel stockholders were "already squealing" at the pressure. About 100 extra pickets were being drafted in today from South

Yorkshire to tighten the grip. Mr. Bishop said pickets had prevented two lorries of foreign steel going to B.L. plants in Birmingham. "We have a message for Sir Michael Edwards, the B.L. chairman, who tells people to buy British: be should practise what he preaches," he said.

All the depots of the British Steel Stockholding Corporation, the BSC subsidiary, were at a standstill last night because of union action and picketing. The three principal companies, Lyle Spencer, Herring Shore and Cummins and Cutler, have thousands of tonnes of steel bottled up by the pickets.

Factory output may dry up says CBI

BY MAURICE SAMUELSON

A FORECAST that the output of British factories could dry up and that thousands of jobs would be lost if the steel strike continued was made yesterday by Sir John Methven, director-general of the Confederation of British Industry.

In the CBI's first major statement on the strike, Sir John warned that imports would flood into Britain. He also fully backed the BSC's stand on pay and urged the Government to speed its proposed legislation on secondary picketing.

He said most companies had good stocks of steel, but there would still be serious consequences if the strike dragged on. "It will worsen the already weakened position of the many British companies still struggling to recover from the road haulage and engineering disputes."

The country could not afford to pay itself more than it earned. CBI members "fully understood that the BSC is running at a loss and that it cannot pay out money it has not earned from production and sale of its products. Any available pay can only be made available through substantial improvements in production."

A further two pickets were arrested outside Hadfield's yesterday. In an attempt to reduce tension, three senior police officers visited picket lines in various parts of the city for talks with strike leaders.

GKN Steelstock, the country's leading private steel stockholder, said yesterday that limited, peaceful picketing had spread to its general steels division at Bristol. But the only GKN warehouse where pickets were preventing the delivery of steel was that at Hebburn, Tyneside.

The CBI was watching union activities closely. There had already been cases of unreasonable and sometimes violent picketing. "It was precisely for this reason the Government introduced a Bill to limit picketing to a strikers' own place of work. The sooner this became law the better."

In a forecast on the effects of the strike Sir John said: "If the output of factories dries up, the UK will be subjected to even greater imports of foreign steel in the form of manufactured products, from motor cars to nuts and bolts. Orders and jobs will be lost, many of them permanently. This action by the trade unions can only provide jobs for foreign workers."

The CBI warning followed a statement by Sir Richard Marsh, chairman of the British Iron and Steel Consumers Council, that 4m jobs in steel using industries were being placed at risk.

The CBI believed the car and domestic appliances industries could be most vulnerable. If British supplies of these goods were curtailed, consumers would quickly switch to foreign products.

Furnace lining lay-offs feared

BY MAURICE SAMUELSON

THE FIRST lay-offs are expected next week in the refractories industry, which makes the heat-resistant brick linings of blast furnaces. If the strike is not brought to a halt before then, the Federation of Clay Manufacturing Industries said yesterday.

Three of the leading manufacturers have already given protective notices of possible lay-offs to their staffs. Of some 30,000 workers employed by federation members, about 4,000 are engaged in making refractories.

English clearing bank staff to demand 25%

BY NICK GARNETT, LABOUR STAFF

A CLAIM for 25 per cent rises for English clearing bank staff, and more for some groups, was fixed yesterday by the Banking, Insurance and Finance Union.

The union, which represents 88,000 out of more than 200,000 clerical and managerial staff in the English clearing banks, is seeking a rise of 32 per cent on the minimum salary and 31 per cent on middle-range salaries of cashiers, a principal clerical group.

It also wants the banks to agree not to set a duration on the settlement, which is to operate from April, so that the union could come back for extra money if it felt that was warranted.

Union officials said that the claim was related to the bank's ability to pay, at a time when the Government appeared to be emphasising that criterion to unions and employers.

The union gave warning that it would invoke industrial action

by data-processing staff if it felt that necessary. It did so last year at the Midland, disrupting cash transactions and other activities.

Although the union has a much smaller membership than the joint membership of the staff associations operating separately in three of the five clearing banks, its members are more widespread among computer staff.

The staff associations, which will also be seeking hefty rises and improvements in differentials, have still to decide their claim.

Mr. Leif Mills, BIFU's general secretary, said yesterday that the union wished to negotiate centrally with the Federation of Bank Employers, but would refuse to do so if the federation wanted negotiations conducted jointly with the staff associations.

The union would try to

negotiate separately with the banks if the federation was slow in dealing satisfactorily with the claim.

The bank's negotiators will not be assisted in resisting the claim by the very high half-yearly bank profit figures. They will probably argue, however, that this year's settlement should be lower than it would otherwise have been because last year's settlement ran only for nine months.

The unions' view is that last year's settlement, which totalled about 19 per cent, is water under the bridge.

Apart from the 25 per cent general salary rise, this year's claim involves an increase in minimum salary from £1,978 to £2,600 and on middle-range cashiers' salary from £3,385 to £4,700.

Union officials said the banks could double all salaries and still make a profit.

Appeal to Airways engineers after union rejects 17% rise

BY PHILIP BASSETT, LABOUR STAFF

BRITISH AIRWAYS yesterday appealed to its 11,000 engineering and maintenance staff not to take the industrial action planned for today, after unions representing the engineers had rejected a new offer by the company of a pay rise worth 17 per cent.

The offer, which would give lead tradesmen an increase of £16.19-£18.57 per week, was put to the unions in talks which ended early yesterday morning. The company said considerable progress had been made but the offer had been rejected.

Mr. John Garton, British Airways engineering director, made it clear in a letter to the engineers yesterday that there would be no more money forthcoming. The offer was the best the airline could make and was generous in the present circumstances when BA, like other airlines, had been hard hit by increases in fuel and other costs.

The planned industrial action, he said, would only damage the airline at a crucial time.

The eight shifts of the engineering staff are expected to refuse to turn up for work at the airport from 6.30 this morning in what the unions describe as a "roll-on" overtime ban in support of a 25 per cent pay claim.

British Airways said yesterday that it planned to operate most of its services but there would be some planned cancellations, including some domestic and European flights tomorrow and Saturday.

British Rail has accepted a union proposal to backdate part of an arbitration award to this month after the three rail unions agreed to wait for the award's implementation until March to help the BR Board out of its present financial difficulties.

The board told the unions earlier this month that it

would be banning recruitment for a month and bailing some track relaying work, as well as not consolidating into basic rates as expected the final £2 of a £6 supplement outstanding from Stage One of the previous government's series of pay controls.

Its decision was seen as an indication of the financial pressures on the industry after the Government's decision to reduce BR's cash limit from £730m to £715m as part of its spending cuts.

The Board announced yesterday, though, that it had agreed to backdate the consolidation to January following the unions' acceptance that its financial position would not allow it to implement the award until the end of the financial year.

The largest rail union, the National Union of Railwaymen, had warned that if the award was not backdated it could lead to trouble in the industry.

Shippers response due today

BY NICK GARNETT, LABOUR STAFF

BRITISH SHIPPERS are due to respond today to a claim from merchant navy officers that a 17½ per cent pay deal concluded at the end of last year should be improved by a further 6 per cent.

The claim follows a 24 per cent settlement for merchant navy seamen which was agreed shortly after the officers' deal. During negotiations on the officers' settlement—which the General Council of British Shipping says would add 19 per cent to costs when an extra 5 days' leave are taken into account—employers said they would be prepared to discuss the possibility of consolidating the last three pay supplements before the next pay settlement.

They want to do this, however, on a minimum cost basis and argue that it can be consolidated at very low cost to the industry. The unions have told the general council that they want the supplements consolidated in such a way as to yield a further 6 per cent. The deal with the seamen involved an agreement to examine leave patterns and draw up guidelines for reducing overtime. If these were put into force employers say the seamen's settlement would be worth less than 24 per cent on costs.

Average yearly earnings for officers following the recently concluded deal range from £6,000 for junior engineers to £18,000, with the average rate for all masters at £14,250. Leave entitlement is 134 days.

FINNISTON REPORT WARNS THAT BRITAIN FACES REAL ECONOMIC DECLINE

'Champion of change' plan for engineering

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

WIDE-RANGING proposals which could lead to changes in the structure of the engineering profession and the education and training of engineers are contained in the Finniston Report published yesterday.

The most important recommendation by the committee set up in mid-1977, is that an engineering authority be established. The authority will be the "champion of change," says the report, providing "strong leadership" in the field of engineering, and ensuring that other recommendations in the report are implemented.

The report also proposes substantial changes in the present system of educating and training engineers, with the introduction of a three-tier system requiring very close co-operation with employers.

The report outlines the relative decline of British manufacturing industry and warns that "real economic decline now stares Britain in the face."

The regeneration of competitiveness must be given overriding priority in national policies with the emphasis on developing market-oriented engineering excellence in the products made by British industry and in the production of them.

Monitor

The philosophical outlook that must be adopted by the British people towards industry is coined "the engineering dimension," which requires the involvement of engineers in the technological expertise of an enterprise, which is then related to its strategic and market objectives.

The committee proposes that the engineering authority will be the instrument of this change. It will also monitor the impact of the other recommendations in the report. It will review the progress of any changes and reassess the committee's proposals in the light of circumstances and practical experience.

Industry. Membership should reflect the range of interests in engineering and a majority of members, including the executive head, would be engineers.

The report considers ways of attracting more school leavers to engineering, pointing out that any shortages of engineers today (which seems to be a shortage of specific skills rather than of applicants for vacancies) will be more serious in 10 years because of the falling number of 18-year-olds.

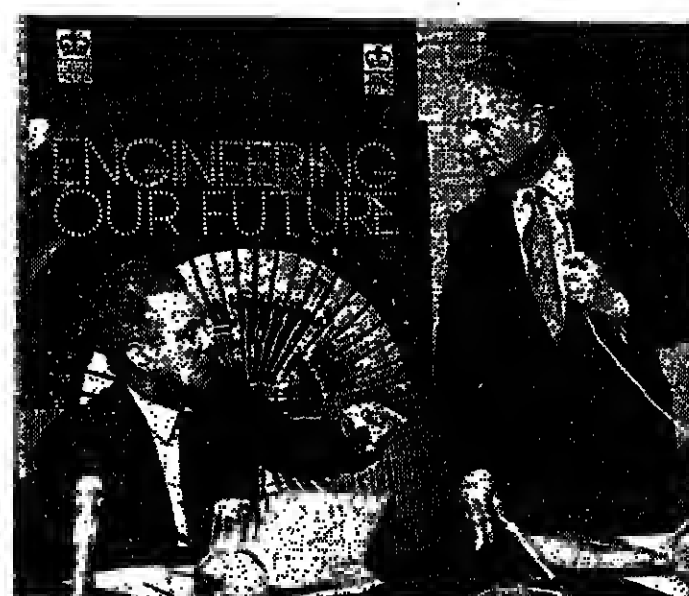
A majority of the committee recommends that all students accepted to accredited engineering degree courses should be assured of bursaries of at least £250 a year above their mandatory local education authority awards. This would cost about £10m a year if current student numbers were maintained.

"Active employer involvement" is necessary to ensure a future supply of well-prepared recruits, and the committee recommends that "engineering manpower audits," already carried out by some companies, should be extended through industry.

The importance of innovation is emphasised, with a recommendation that the Government, employers and trade unions work together to establish a national programme for training and retaining employees in the skills and support needed to implement new technologies.

In the search for improvement across whole sectors of industry, the National Economic Development Council would be given an enhanced role whereby the Government, manufacturing companies and trade unions sought to reach a common understanding on objectives.

The integration of academic education and structured training and experience in industry (known as the Continuum as the "formation" of the engineer) is proposed. Few of Britain's engineers have been properly prepared for their jobs, says the report, largely because employers have taken insufficient interest.



Sir Keith Joseph, Secretary of State for Industry (left), and Sir Montague Finniston, chairman of the committee of inquiry into engineering, whose report was presented.

proposed: Registered Engineer, Diplomat, Registered Engineer and Registered Associate Engineer, based respectively on two new degree awards—to be called Master of Engineering and Bachelor of Engineering—and on development of the current Higher National or equivalent awards. Great importance is attached to students' ability to transfer between streams.

The main difference between the proposed formation and the existing system is in the increased practical content of the degree courses required, and the necessity for accredited industrial training and experience for all engineers.

The improvements are meant to capture three features which give "envious strength to the formation of engineers in the continental Europe": 1—Recognising that a secure supply of high-calibre engineers is a prime national need that has to be safeguarded by statutory means; 2—Clearly differentiating between the intensive and

duties to allow them to participate, and the Department of Education and Science and the Universities Grants Committee must see that money is made available to pay for this.

The committee proposes substantial changes in the organisation of the profession, centring on a statutory register of engineers to be set up and controlled by the authority.

The register will be based on the improved formation package, and all registered engineers will be obliged to observe the conditions of a code of professional practice, much as chartered engineers now do.

Licensing

The restriction of engineering practice to registered engineers—licensing—has been rejected by the committee, but registration would become an effect a licence to practise since the register would be the required source of qualified engineers. Government and other public-sector employers are asked to take the lead in this.

But where there are considerations of public health and safety, licensing might be appropriate, and the authority should examine and advise on the introduction of licensing consultant engineers.

Existing engineers, who for some years will outnumber those qualifying under the new system, will be allowed on the new register, although the committee is not unanimous about the way this should be done.

The report proposes that the professional institutions, who will be freed of their responsibility as qualifying bodies, will be able to concentrate more on services such as the continuing formation of engineers, the dissemination of best practices and new techniques, and promoting engineering as a career for young people.

"Engineering Our Future. Report of the Committee of Inquiry into the Engineering Profession. Cmnd. Paper No. 7794. Price: £5.00. Summary version, price £2.00. Available through Government bookshops."

Civil Service pensions attack

By Philip Bassett, Labour Staff

CIVIL SERVICE unions yesterday accused the Government of provocation by suggesting that civil and other public servants might be required to contribute more towards the cost of their pensions.

The Cabinet is considering ways to modify the present system of index-linked pensions because of what some Ministers see as an imbalance between the public and private sectors.

Mr. Bill Kendall, secretary general of the staff side of the Civil Service national Whitley Council, the umbrella body covering all nine civil service unions, yesterday described the suggestions as "misconceived" and a further example of the Government's "obsessive" desire to attack the Civil Service.

Interference with the agreed system would be a clear, deliberate and cynical breach of the Civil Service's pay agreement, which would have obvious industrial relations consequences. The anger simmering below the surface over pay and pensions would boil over.

Mr. Kendall said the Government could hardly have chosen a more unfair or provocative issue for a confrontation.

Civil servants forgo an average of 7 per cent of their pay as their contribution to the pension scheme, but Ministers seem to have accepted the view—held by both the civil service unions and Whitley officials—that it is impossible to end inflation-proofing altogether.

Latest Esso offer will go to ballot

BY NICK GARNETT, LABOUR STAFF

DELEGATES representing Esso's tanker drivers and gentry operators decided yesterday to put out to ballot the company's latest pay offer, which includes basic salary rises of 17.95 per cent.

The ballot will ask the drivers whether they wish to extend industrial action, if they reject the proposals. The drivers have imposed a month-long overtime ban, which the company says has reduced deliveries by about one-third.

The action is in protest at a previous offer which, nevertheless, included the same basic rate rise now proposed.

The offer involves extra money on allowances and a £150 lump sum payment, which the company says will make the deal worth 22 to 23 per cent over

the year. Of the major oil companies now negotiating, only Texaco has so far reached agreement with its drivers.

Esso drivers lobbied union leaders in London yesterday calling for a national stoppage in the pay dispute. Chanting drivers from the Stanwell depot stopped senior shop stewards as they arrived for a meeting at the headquarters of the Transport and General Workers Union to discuss the next move in the dispute.

Shouting "What do we want? £100" the group of about 30 men stood outside Transport House awaiting the outcome of the meeting between senior shop stewards and Mr. Jack Ashwell, the union's national officer for commercial road transport.

AA asks employees to vote on 17% offer

BY OUR LABOUR STAFF

THE AUTOMOBILE Association yesterday asked its 8,300 employees to vote on a 17 per cent staged pay offer which has been rejected by its unions.

One of the unions with members in the AA, the Association of Scientific, Technical and Managerial Staffs, accused the company of going over the unions' heads and ignoring established collective bargaining procedures.

Beth ASTMS and the Association of Professional, Executive, Clerical and Computer Staff, which represents about 4,600 of the AA's staff, have rejected

the offer, which would give an 11 per cent increase from January, with another 3 per cent in August and a final 3 per cent in November.

The company yesterday sent out an eight-page letter on the offer to all employees from Mr. P. A. Lovick, managing director, asking them directly whether they would accept the offer. Replies have to be in by January 22.

The company said yesterday that APEX, which had sole negotiating rights in the company, was fully aware that the letter was being sent out and had helped in drawing it up.

APPOINTMENTS

Senior post at Carless, Capel

Mr. Alfred Letz, has been appointed group managing director of CARLESS, CAPEL AND LEONARD. Mr. John Leonard continues as executive chairman.

Mr. Roy Emerson, Mr. Ken Wiseman and Mr. Ken McDonald have been appointed directors of Carless, Solvets, and Mr. Len Stroud a director of Carless Petroleum.

Mr. Norman Roberts has joined the board of BRIDGE WATER BUILDING SOCIETY, following the retirement of Mr. Frank G. Berry.

Mr. J. C. Brown, Mr. D. R. Drysdale, Mr. A. L. Robertson, and Mr. H. D. Seddon have been appointed assistant general managers at BRITISH ENGINE INSURANCE. Mr. Seddon continues as company secretary.

BROWN BOVERI KENT has made the following appointments: Mr. Michael J. Knight as managing director of Kent Process Control, Mr. Alan J. Lynch as managing director of Kent Process Control, Mr. Brown Boveri Kent, and assumes Mr. Knight's responsibilities as director, corporate planning.

Dr. Peter Weichardt, head of the German subsidiary Schindler, has been appointed to the Group management of its parent SCHINDLER HOLDING AG. Dr. Bruno Deemel, manager and management committee member of Swiss Industrial Company in Neuhausen am Rhein, will join the Schindler Group management on July 1 as a successor to Mr. Hans-Rudolf Mofer, who is to retire.

CONSTANTINE HOLDINGS has appointed Mr. Gordon S. Plummer, as managing director of Constantine International Trading Company.

Mr. Francis S. Fox has been made vice-president public and financial relations for RAYTHEON COMPANY. He replaces Mr. Richard P. Axten, who assumes collateral duties pending his retirement early in 1980.

The following directorships have been announced by JARDINE FLEMING AND CO. Hong Kong: Mr. A. R. Fleming, Mr. J. P. Newman, Mr. I. O. S. Sanderson.

HARRISON INDUSTRIAL DEVELOPMENTS has made the following appointments: The company's founder, Mr. J. M. Harrison, becomes chairman and continues to direct development of electronic products. He is succeeded as managing director by Mr. J. C. R. C. Bragg, who joins the company from IBM UK, where he had responsibility as branch manager for its sales to the major clearing banks. Mr. G. A. Forster, works manager, is appointed production director, and Mr. C. R. C. Bragg, who joins the company with special responsibility for expansion of European sales joins the board.

Mr. D. J. Bowler, director farm machinery sales and service, Massey-Ferguson (United Kingdom) has been appointed director marketing, Europe, and world export operations, for MASSEY-FERGUSON. He reports to Massey-Ferguson's vice-president, marketing, in Toronto.

Mr. Peter Reynolds and Mr. Ian Wade have joined the partnership of ALBERT E. SHARP AND CO., stockbrokers. Mr. Reynolds has been elected a member of the Stock Exchange and will be associated with Albert E. Sharp and Co.

Mr. Stanley Affert, joint secretary and director of GRESSION LIFE ASSURANCE SOCIETY, has become the appointed secretary of the Society under Section 15 of the Insurance

Companies Act, 1974, on January 1, 1980. On April 1 he will be appointed secretary of the Society following the retirement of Mr. John Leighton.

Mr. John Hignett has been appointed director and general manager of SIMPLEX-GE LIGHTING product department, Groveland Road, Tipton.

Mr. Gavin Simpson, director (development and sales), BRITISH RAIL Property Board, has been appointed to follow Mr. Robert Dawkins as managing director from March 31.

Mr. J. A. Smith has been appointed managing director, PLATT SICO LOWELL. He will be responsible for the UK operations of the company, a member of Stone-Platt Industries. He was previously chief executive of the David Whitehead Group.

Mr. E. W. E. Craft has been appointed to the Board of TWINLOCK.

Following his appointment to the Board of J. F. NASH HOLDINGS, Mr. C. L. Parker has resigned as a director of J. F. Nash Securities.

Mr. L. A. Forrest has been appointed a local director of the south-west region of REED AND MALLIK, civil engineering division of the Rush and Tompkins Group.

Mr. Peter R. Ward-Lee has been appointed director of BESTOBELL HOME PRODUCTS, Bestobell Home Appliances and



Mr. Peter R. Ward-Lee

Bestobell Paints and Chemicals, retaining managing directorship of the latter.

Mr. R. Canliffe, overseas controller, becomes fiscal controller, and Mr. J. W. Parrott, overseas accountant, is appointed overseas controller at ROYAL INSURANCE.

Mr. Antony Wolfe, eldest son of Mr. Geoffrey Wolfe, chairman of WOLF ELECTRIC TOOLS (HOLDINGS), has joined the Board as a non-executive director.

Mr. Roy Smith has been appointed works director of VEE BEE, Stourbridge, (formerly Filtration and Valves).

WIGHAM POLAND GROUP has made the following appointments: Mr. Tony Willes to the Board of Expo-Sure, Wigham Poland's specialist company handling exhibition and conference insurance; Mr. Roger Lewis, director, Wigham Poland; Mr. Terry Skinner, to newly-created position of general manager, administration, of the UK non-marine companies at Wigham House, Barking.

Mr. Frank Tinsdale has been appointed managing director of IVECO (UK).

J.I. Case and Poclain integrate marketing

J.I. CASE and POCLAIN have announced that they are integrating their marketing activities in the UK under the direction of Mr. S. D. Sharp, who has been general manager of Poclain UK since 1971. J.I. Case is a subsidiary of the American Tenneco corporation, which also owns 40 per cent of the French-based Poclain group.

The move brings the UK into line with Germany, Spain and Belgium where the two companies are already integrated. Both the direct network and the direct selling operations of Case-Poclain in the UK have been expanding in recent months, with five new depots being opened around the country, and the appointment of five new product dealers.

Mr. W. M. Graham has been appointed chairman of MILLER HARRISON CONTAINER LINE (jointly owned and operated by Ellerman Lines and the Chartered Steamship Company), following the resignation of Mr. D. F. Martin-Jenkins. Mr. D. A. Lloyd and Mr. J. V. Sampson have resigned as directors. Mr. R. A. Dabell, Mr. A. J. Chamberlain and Mr. R. S. Dille have been appointed directors.

Professor Roland Smith has been appointed non-executive director of SHARP UNQUOTED MIDLAND INVEST-

MENT TRUST. Mr. N. C. Tubbot-Ree and Mr. R. E. McWhirter have been appointed joint managing directors. Mr. S. D. Sharp has been appointed a non-executive director.

Mr. S. M. Strange has been appointed an executive director of ALEXANDERS DISCOUNT COMPANY.

Mr. Richard J. Williams has been appointed managing director and senior officer for all the AMERICAN INTERNATIONAL GROUP companies operating in the UK and Ireland.

Mr. David Warner has been appointed director and general manager of LANGLEY FORD TRUCKS (NORTH WEST).

Mr. Con Folkes has been appointed a management director of JOHN POLKES BEFO. He will continue to hold his previous appointment as managing director of JPH Steel.

Mr. C. R. Freeborough has been appointed managing director of WILLIAMS AND GILLY'S LEASING COMPANY and its subsidiaries.

Mr. P. E. Cooper has been appointed finance director of PETBOW, the main operating company of Petbow Holdings. He will be assuming the duties of Mr. J. B. Qua, who is resigning to take up another post.

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THE MARKETING SCENE

The new product art

The 1980s are said to offer extravagant new product opportunities. But the reality is likely to be far more down to earth than that.

ELIDA GIBBS, part of Unilever, has announced its first new product launch of the 1980s—a mouthwash named Reply. In the mouthwash market, Reply is described as cool, minty-fresh and antiseptic.

"With Reply," says Elida Gibbs, "we are building a market that could grow from its present £3m to a dynamic £20m in only four years"—approximately a third as big as the toothpaste market.

To this end, the Lintas agency has devised a 30-second television commercial which projects the product as a "close contact confidence builder," writes Michael Thompson-Noel. According to Lintas: "The film uses very quick cuts of young couples in a variety of kissing situations where fresh breath confidence is essential."

Jolly good. A minty-fresh mouthwash is just what we need. According to Elida Gibbs, Reply is to toothpaste what hair conditioners are to shampoos (the conditioner market has grown from £6.5m to £23m in only five years).

But just how far will new product development actually travel in the next 10 years, across all markets and sectors? In the U.S., where this sort of forecasting is a well-established art, the soothsayers have enjoyed a field day. For them, the 1980s will yield a wealth of new products, not least, of course, in the field of consumer electronics.

Most of us are now familiar with the prospects for satellite TV, or discs, or cassettes, or stereo TV; but what about a pocket translator: a shoulder-bag device that translates back and forth, hearing you in English and speaking to your listener in whatever language he understands? Or 3-D holographic movies for home entertainment? Or the 17-digit universal telephone numbering system that may make it possible to dial directly to almost anywhere on earth?

Outside electronics—but still drawing on the inspiration of U.S. forecasters—how about a memory pill to combat over-50 memory decline? Or a photographic film that will simultaneously produce transparencies and prints? Or solar-powered home air-conditioning?

How about a high-protein soft drink (Coca-Cola has already developed one called Sampson) that supplies a third of your daily vitamin and mineral requirements and a tenth of basic protein? Or a powdered Irish coffee?

Some or all of these products will become commercially available in the 1980s, but the trouble with new product forecasting is that the optimism of the forecasters almost always outstrips developments in the market place. Things happen, but not overnight. As usual, successful product innovation in the next decade will demand the severest pragmatism, not flights of fancy.

Peter Kraushar, chairman of Kraushar, Andrews and Easie and an expert in new product development, says the British are in any case traditionally much more conservative in their approach to new products than consumers in the U.S. or in many countries in Continental Europe.

For sanity's sake, we restricted our conversion largely to the food market, which because of its size and complexity and degree of competition probably serves as a reasonable metaphor for most non-food markets anyway.

Discerning

The British are pragmatic, price conscious, discerning and unadventurous. It is partly because of their stoicism, says Mr. Kraushar, that UK food manufacturers in recent years have found it difficult to get their price/value equations right, though in the 1980s, as the predicted search for "value" intensifies, they are going to find it absolutely critical.

One of the greatest pressures for change in the food business, he says, will be the continuing concentration of power in the grocery trade. As rationalisation intensifies, a very few dominant but aggressively sophisticated grocery buyers will wield increasing clout. On the one hand, the 1980s will see the emergence of more and more innovative own-label brands; on the other, grocery buyers will increasingly ask whether the manufacturers' own

new product programmes have any real point.

Inevitably, there will be great pressure on manufacturers to innovate and not copy. They will display greater technical sophistication, greater consumer positioning, and will draw freely on new packaging skills (in some cases, a brand or product sector can be virtually reinvented with a change of packaging). As multiple retailers move increasingly into non-food, their suppliers will attempt to follow them.

At the same time, there will be more and more room for smaller, premium-priced, specialist food brands whose share of sales could well expand in almost direct proportion to the contraction that can be expected among middle-rank manufacturers and middle-rank brands.

The move towards convenience foods and products, invariably sold at a premium, will grow apace. Among basic foodstuffs, the demand for freshness and naturalness will have to be met. Ethnic brands will show good sales growth. But gimmicky products, like high-vitamin juices or powdered alcoholic drinks, will face fierce resistance unless they can establish genuine credentials.

Mr. Kraushar predicts that no substantial new food markets will make their appearance in the next four years; but he expects further impressive growth in sales of delicatessen products, and in sales of wine.

As all food majors realise, the delicatessen market has shown enormous growth in the past 10 years. In the 1980s it will grow even faster. The French National Institute of Agronomic Research, for example, has successfully cultivated the elusive French black truffle, and the French crop is expected to grow from 25 to 250 tons annually. U.S. research is showing how the most rare and delectable mushrooms can be grown commercially; and cheap supplies of farm-produced lobster may be a reality by the end of the decade.

Truffles for all (or nearly all) may sound a much less impressive prospect than wrist TV or powdered daquiris or pocket translators or memory pills. But don't knock it; it may be closer to hand.

AGENCIES: THE LATEST PECKING ORDER

Billings and roundabouts

BY MICHAEL THOMPSON-NOEL



L to R: Martin Boase of Boase Massimi; billings up 55 per cent. Bob Gross of Geers Gross; highest billings-per-head among Top 20 agencies. Michael Cooper-Evans of J. Walter Thompson; hardest hit by ITV strike.

ADVERTISING agencies, those maligned but industrious hives of marketing endeavour, love to play the numbers game. They are most at home when talking billings—the total value of the advertisements they place.

Inevitably, crude billings do nothing to convey the agencies' relative standing in terms of profits, but at least they provide a rough and ready guide to overall growth. The table on the right is extracted from the latest list of Britain's top 250 agencies, published by Campaign magazine last week.

It shows that Saatchi and Saatchi Garland-Compton, the main Saatchi agency, has swept to the top of the UK billings tree. In 1978 it was fourth, but in 1979 a 22.5 per cent billings spurt enabled it to topple the U.S.-owned Big Three: J. Walter Thompson, which drops from first to fourth, McCann Erickson, and D'Arcy-MacManus and Masius.

The table also pin-points the outstanding billings growth last year of Boase Massimi Pollitt Univas (+55.3 per cent at £25.6m), Allen Brady and Marsh (+50.7 per cent at £30.9m) and one or two others.

But it reveals several apparent discrepancies in terms of agency billings-per-head. For example, the publicly-quoted Geers Gross Advertising is shown with a staff of 87 and very high billings-per-head of £204,598; at the other end of the scale, Benton and Bowles, with a staff of 205, registers a billings-per-head of only £106,978, while Dorland, Foote Cone and Belding and JWT all fall below £115,000.

How so? First, it seems that while some agencies render their annual billings as accurately as possible, others may be inclined to let their imaginations take over. Second, billings-per-head of staff employed are obviously heavily influenced by the type of campaigns an agency handles. According to Jack Rubins, chief executive of Dorland Advertising: "In one or two cases, the billings quoted are quite fictitious. Dorland, for its part, does not include any of its overseas billings, for example, though several others may. We could have put down £29m (instead of £26m) and easily justified it."

"As for billings-per-head, and in no way seeking to explain away our own particular figure,

it must be said that we handle a lot of labour-intensive Press campaigns: National Savings, for example. We simply couldn't handle our type of billing with fewer staff."

"We'd be happy to see the annual list compiled on a basis of audited figures, and would pay our share towards the cost." At Foote Cone and Belding, chairman Bill Kieley says a lot of rival agencies probably don't list their non-trading staff. "We

count everyone, including a barman and seven waitresses. In any case, how do you compare productivity on a cigarette account, which can involve a lot of money and very low staffing, with an airline account, which takes a great deal of manning."

At JWT, which was hit hardest of all by the 1979 ITV strike, managing director Michael Cooper-Evans says the agency counts everyone on its staff list. "Not that this is a

terribly lean shop. It never has been, but if these league tables really are necessary, it would be much more sensible to compile them on the basis of gross revenues."

At Geers Gross, chairman Bob Gross says it has always been deliberate policy to be very low-staffed, though it is at present hiring merrily to accommodate group growth. "On the other hand we work on a high payroll basis, preferring to have as many senior people as possible."

The lack of reality that pervades most lists of billings shows up even more dramatically on a group basis. "The current group pecking order is led by JWT (£161m), the Saatchi Group (£80.1m), McCann (£77.52m) and D'Arcy-MacManus (£71.52m). It is impossible with such figures to distinguish between billings, grossed-up fee income, and turnover derived from other sources such as PR, market research or sales promotion. The figures are almost literally meaningless."

At Campaign, editor Bernard Barnett says that agency rankings based on gross income is a fine idea but that there has been no tradition of disclosing such figures in this country. "We have asked them. They all say it would be much more truthful, but very few are prepared to do it themselves. We are going to work on it, but the truth is that billings are nice big figures and income figures are only small ones. On the other hand, we reckon that the degree of exaggeration in the stated billings has fallen sharply since the lists were first compiled, and is falling still."

The billings table becomes even more meaningless when it is remembered that McCann-Erickson, for a start, recently switched a lot of business from its main agency to its main subsidiary, Harrison McCann.

What is needed is reliable group income figures that reflect genuine advertising billings but exclude grossed-up peripherals.

Still, nothing can detract from Saatchi's performance in vaulting past its rivals. Despite a sticky patch in mid-summer, it rode the ITV strike a deal sight more ably than could have been expected. Nor can doubts about the worth of league tables take anything away from BMTU or ABM.

In the meantime, get well soon, JWT.

TOP 20 ADVERTISING AGENCIES

	1979 billings (£m)	% or -	per head of staff (£)	Billings per head of staff (£)
1 Saatchi and Saatchi	67.50	+22.50	500	135,000
2 McCann-Erickson Advertising	66.00	+9.96	472	138,365
3 D'Arcy-MacManus and Masius	64.50	+10.55	467	138,116
4 J. Walter Thompson	62.83	-2.42	360	112,196
5 Collett Dickinson Pearce	50.78	+4.40	267	190,187
6 Ogilvy Benson and Mather	49.30	+2.07	390	126,410
7 Young and Rubicam	38.62	+11.49	311	124,130
8 Wasey Campbell-Ewald	35.20	+21.38	267	122,648
9 Ted Bates	34.23	+6.41	241	142,531
10 Allen Brady and Marsh	30.90	+50.73	216	142,056
11 Foote Cone and Belding	30.61	+14.53	267	114,644
12 Leo Burnett	28.48	+20.42	230	123,826
13 Lintas	26.50	+6.85	186	142,473
14 Dorland Advertising	26.00	+22.81	234	111,111
15 Boase Massimi Pollitt Univas	25.60	+55.15	180	142,222
16 Benton and Bowles	21.93	+7.39	205	106,976
17 Davidson Pearce Berry and Spotswood	20.00	-4.76	164	121,951
18 Doyle Dane Bernbach	18.06	+5.83	137	131,347
19 Geers Gross Advertising	17.80	NA	87	204,598
20 KMP Partnership	17.30	+28.15	92	185,013

Source: Campaign.

Technical News

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

ENERGY
Oven saves gas

WITH industrial and commercial users of gas about to take the brunt of any major price increases, Moorwood Vulcan, the catering equipment division of Valor, is bringing out a new commercial convection oven capable of savings of up to 40 per cent on fuel bills, against most other convection ovens.

"Snorkel" is the name of the new unit, which uses simple technology incorporating a pipe shaped in a similar fashion to a snorkel tube, which diverts waste heat and recirculates it

through the fan into the cooking area. Based on the company's Thermaire convection oven, the Snorkel has recently undergone stringent tests by the American Gas Association. Results of these tests show specifically that it took up to 40 per cent less gas to bake an apple pie, 33 per cent less to bake frozen lasagne, and around 30 per cent less to bake cakes and rolls.

Preheat time at high load was faster and browning judged "very good."

Moorwood Vulcan on 0742 467121.

AUTOMATION
Iron fittings controlled

ONE OF the country's best known suppliers of iron fittings and other castings, Stanton and Staveley, is using a minicomputer production control system at its Chesterfield works.

Supplied by BNF Metals Technology Centre, the computer will assist production control and works staff to keep closer track of the large number of batches of different castings being progressed through the foundry and associated machining centres.

Visual display terminals and printers throughout the works will be used to enter details such as quantities cast, fettled,

machined and so on as the work is carried out. The terminals will also be used for communicating information on job schedules, priority order and other work-in-progress. All this data, being constantly updated, will provide management, via their own terminals, with up-to-date figures on foundry load and performance.

Data communication with other Stanton and Staveley locations is to be provided. More about the system, which uses a Digico mini, from BNF Metals Technology Centre, Grove Laboratories, Denchworth Road, Wantage, Oxfordshire, OX12 9BJ (02357 2992).

COMPUTERS
Leadership in small machines

OLIVETTI has taken the lead in Europe as a supplier of small business systems, with a market share of 20 per cent.

This is the result of a survey conducted by the International Data Corporation—an American market research institute—concerning equipment costing less than \$180,000 and providing a user memory of at least 2K bytes.

The study, which covers approximately 200 models from 150 suppliers, including the European representatives of American companies, points out the high potential of this market, which according to forecasts, will double within the next four years, to go well over 150,000 units per year.

British Olivetti is the market leader in the UK's small business computer field (up to £12,000) and accounts for more than 50 per cent of all machines sold in this sector, the company asserts.

British Olivetti, 30 Berkeley Square, London W1X 6AH, 01-639 8807.

Pet will program a memory

ERASABLE programmable read only memory (EPROM) can now be programmed on PET computer installations using a hardware / software offering from GR Electronics, Newport, Gwent (0683 67426).

It allows PET users to produce firmware to run either on the PET itself or on other micro-processor based systems.

The programmer is for the 2718 device which uses a five volt supply and can be used with the original PET or the more recent large keyboard version. It consists of a pin-in circuit board which uses the IEEE port for data, the user port for control lines, and takes five volts from the computer's external cassette drive.

Full EPROM programming is supplied on cassette, with functions including read/write to and from random access memory, erasable programmable memory, sequencing, verification and read/write/modify with addresses and data in hexadecimal form.

An extension socket is provided for those wishing to deal with memories in batches.

TV AND RADIO

Telly tubes saved from burnouts

ENTIRELY NEW, high voltage spark gap protection devices, designed specifically to protect TV receivers, VDU display tubes, oscilloscopes and photomultipliers from high voltage discharges and transients, are being marketed by Welwyn Electric, the Northumberland based electronic component manufacturers.

Spark Gap Series 5589, is intended to save the focusing electrode of a cathode ray tube (CRT) from excessive levels of EHT—one of the reasons why a tube goes—but is equally suitable as a protection device for any electronic component or piece of circuitry that could be exposed to damaging levels of high voltage.

The new spark gap has been designed to "fire" and divert to earth any level of excess voltage,

above the manufacturers' stated limit, before it reaches the danger limit.

Welwyn has produced three spark gaps in the series to cover the breakdown bands 7 to 9 kV, 8.5 to 10.5 kV and 10 to 12 kV respectively, with current handling capacities of up to 1500 amps.

The spark gaps consist of two copper-nickel alloy electrodes enclosed, but not hermetically sealed, in a thermoplastic envelope. It is important to enclose the electrodes to prevent dust contamination—TV receivers, in particular, are notoriously dusty environments—but not to hermetically seal so as to allow the units to remain at atmospheric pressure

as the ambient temperature changes. Normal variations in atmospheric pressure have very little effect on discharge voltage. But a significant change in the voltage can be caused by pressure changes in a totally sealed device resulting from temperature fluctuation of the working environment.

Measuring 15mm x 12mm x 5mm, all three in the series have been designed to be manufactured economically. The units will adequately meet the requirements of BS 2011, Part 2, Method 1 (Sold Bath). "Components for printed circuit applications"; and they are flame retardant to BS 4515-14/4.

Welwyn Electric, Bedlington, Northumberland, NE22 7AA, 0670 822181.

METALWORKING

Machining sheet metals

ADDITIONS TO the Trumpf Trumatic range of computer numerically controlled sheet metalworking centres, include the TC 300W for machining sheet metal up to 10mm thick and also flanged material.

It has an infinitely adjustable stripper which, in addition to ensuring close control of the workpiece, can be raised to allow the machining of flanged sheet to a height of 25mm.

Tools up to 105mm diameter are clamped hydraulically into a single station tool adaptor which has an extra-long hydro-

static ram bearing. This provides maximum support for the punch when off-centre loaded for nibbling and forming operations.

Tool change is performed automatically. Tools are pre-set into cartridges away from the machine by means of simple alignment and loading devices. Once loaded, the prepared cartridge is manually inserted into the 20 station tool storage magazine. The automatic system then changes the tool in the adaptor in just 7 seconds. The downtime for reloading the entire tool magazine is about three minutes.

The working range of the machine is up to 1600 x 2000mm, and repositioning of the sheet can be extended by turn-

ing. An optional tapping attachment provides threads in pre-punched holes using the same clamping position as for punching. Also available is a milling device for finishing nibbled edges. The combination of nibbling milling provides a considerably higher rate of feed and metal removal than conventional milling from solid.

Trumpf Machine Tools, Lyon Way, Hatfield Road, St Albans, Herts. Tel. 61121.

COMMUNICATIONS

Shows fine details on the screen

THE MONITOR on which television transmission / studio engineers look at a picture obviously needs to have a standard of reproduction considerably better than the domestic receiver.

The ability to see incoming

picture defects is enhanced still further by a new Conrac 20-inch monitor from the UK agents, Link Electronics, North Way, Andover, Hants SP10 5AJ (0264 61945).

Among the design innovations is a beam current feedback sys-

tem which automatically controls the picture tube colour temperature for long term stability. In the past says the company, stability was limited by the characteristics of the tube itself.

Also employed is a proprietary matched cathode ray tube with phosphors conforming closely to the European Broadcasting Union specifications; the shadow mask used gives a 20 per cent improvement over industry standards.

Picture convergence can always be kept in a perfect state since the necessary controls are available on a pull-out drawer. There are 24 operational amplifiers allowing independent control of all screen areas including the corners. The controls are positioned on a grid corresponding physically to each area of their action on the screen.

PROCESSING
Accurate compound analyses

NEW TECHNIQUES to determine and measure the constituents of wood preservatives have been developed by the Yarsley Technical Centre.

Measurement of the level and type of wood preservative is essential in deciding if a timber has been treated properly to prevent attack by fungi and wood-boring insects.

Examples of wood preservatives include lindane, pentachlorophenol, aldrin and dieldrin.

Separation achieved in the latter three compounds by the Yarsley technique is excellent. Previous methods of analysis have usually been based on total chlorine content, but this has never allowed differentiation between the various organochlorine and inorganic chloride constituents in the sample.

The Yarsley technique uses a Du Pont universal high performance liquid chromatography system to analyse a solvent extract of the timber.

Yarsley is an independent organisation which provides development and testing services to industry, commerce and Government agencies on the characterisation of wood preservatives by HPLC, or the use of chromatography to analyse rubbers, plastics, adhesives, inks, paints, resins and binders.

Yarsley Technical Centre, Trowers Way, Redhill, Surrey RH1 2JN, 0737 65070.

Candy's
£1m for
Wight
Collins

WIGHT COLLINS Rutherford Scott, the agency that has attracted as much growth as controversy in its first eight months, has added on board the £1m account for Candy Domestic Appliances. Candy says that in the past four years its sales of washing machines, tumble driers, dishwashers and fridge-freezers have grown 20-fold to more than £8m.

WCRS already handles the advertising for Bergson, Brutus Jeans, BMW, Portland Holidays and the London Evening Standard. Billings are said to be £7.1m. The Candy account was formerly with Burrows Hayman. Two WCRS campaigns, for Portland Holidays and the Evening Standard, have generated much controversy.

● ZANUSSI is mounting what it calls the largest UK campaign ever run by a white goods manufacturer: a £1.5m spend, mainly on posters and TV, via Geers Gross.

● COMMERCIAL UNION, whose recent campaign ("We won't make a drama out of a crisis") has been much praised, took a 34-minute TV spot on Monday in which its general manager explained plans for 1980. CU's new campaign, via Doyle Dane Bernbach, is probably worth £1.5m.

● BREVILLE EUROPE, expected to spend £400,000 this year, has transferred its account from Saatchi to Colman and Partners. Colman's projected billings for 1980 are now £10m.

● JWT IS LAUNCHING a new chocolate biscuit counterline, Drifter, for Rowntree Mackintosh. The sector grew from 97,000 tonnes in 1977 to 120,000 tonnes in the 12 months to last September.

● THE TEA COUNCIL is starting a £125m Press and TV campaign via Michael Bungey and Partners. Generic tea advertising has worked well in the past.

● DAVIDSON PEARCE has won the £500,000 Peter Lord account.

● COLMAN FOODS is entering the £13m curry products market with the launch of Colman's Indian Curry mixes; support this year will exceed £1m via JWT.

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MATERIALS
New tapes
are strong

POLYPROPYLENE carton closure tapes, produced by a new manufacturing technique, show some interesting properties, according to F. F. Payne. The tapes are being made by a mono-axially oriented process for the first time anywhere. Because of this, the new material has better tensile strengths and adhesive qualities.

Initial production is geared to home markets, though it is planned to move into exports when Payne takes over his new £31m factory at Gillingham, Notts., in about 12 months. New extruding, coating and slitting plant is being installed at this factory, claimed to be the most modern of its kind in Europe, to meet Payne's long-term commitments in world markets.

Initially, the new 2 inch wide brown tapes, of 63 micron thickness, are available on standard size 66 metre long coils, though when production is in full swing, it is planned to introduce other widths and thicknesses on coils up to 1,000 metres long.

The new tapes are applied with Payne's existing range of equipment, including the Haydn semi-automatic carton sealer, which handles up to 40 packs a minute, and easy to use hand and bench dispensers. Payne is at Haydn Road, Nottingham, (0602 607221).

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JOBS COLUMN, APPOINTMENTS

'Extremely attractive', and other nonsenses

BY MICHAEL DIXON

SEVEN years after starting this regular column, I am still waiting for a much desired event. It is a decision by the recruiting fraternity to cease larding their job-offers with nebulous adjectives.

The particular nonsense-usage I have in mind today usually occurs in conjunction with the phrase "remuneration package," which is repellent enough by itself. But recruiters generally seem to insist on compounding the offence by preceding the phrase with some effectively meaningless adjective such as "substantial" or "attractive."

If any candidate replied simply with an initial offer of "substantial experience and an attractive personality," the recruiter would doubtless take it as proof of insanity.

The usual excuse for inflicting this kind of non-information on an innocent public is that if the employer disclosed the pay and perks thought necessary to entice a good new recruit, everybody already working for the organisation would down tools. I sympathise with such problems, regarding them as one of the costs of having a market economy which are far outweighed by its benefits.

But it would surely be better for the recruiter to face the facts and state something like: "Salary and rewards will be notified by return to all bona

fide applicants," than to cringe behind terminological inanities.

As things are, "substantial remuneration packages" seem to have become so much the norm that competing recruiters are embellishing such phrases with further insubstantial terms, giving the impression that they are becoming not only inarticulate, but garrulous with it.

Determined not to let this trend go farther without protest, I have just telephoned one of the numerous current offenders. He is Peter Tomkins of the R. J. Silver and Associates consultancy, who has come to market with a job for a group managing director, stating that it offers "extremely attractive" benefits. What did this mean?

I asked. The answer — which I pray may establish some general criterion for the significance of "extremely," at least — is as follows: A salary negotiable from £25,000 and perks including bonus likely to be worth another £3,000, a share option scheme, a car priced at up to £10,000, non-contributory pension and... luncheon vouchers.

After such explicitness, readers may feel it an anticlimax to find that Dr. Tomkins may not name the employing company. But that is within the historic rules of the Jobs Column provided he guarantees

to abide by any applicant's request not to be identified to the employer until specific permission is given. Which he does (as do the other recruiters mentioned later).

There is a certain necessary obscurity, too, about the nature of the products with which the London-based recruit will be concerned. Suffice it to say that they are high-value goods of consumer-kind, although bought more as a hobby than for instant use, and that the United States owned employer manufactures and markets them internationally to the tune of a \$300m annual turnover.

This company has about 10 subsidiary groups outside the U.S., and the one to be headed by the incoming managing director covers the United Kingdom, Scandinavia, Spain and Portugal. This territory is likely to be extended to other countries, such as Greece.

Responsible to the vice-president for international affairs, who is in the U.S., the recruit will be immediately supported by directors of finance, distribution, marketing, and computer services. Most of the total workforce of roughly 100 are in the UK.

Manufacturing is done elsewhere, and candidates' main strength must be in marketing. They must also be consummately numerate, and have been in charge of a successful busi-

ness operation either in high-value consumer products, which is preferred, or in the direct marketing field. Age 35 to 45.

Inquiries to Dr. Tomkins at 23-24, Great James Street, London WC1N 3ES; telephone 01-242 9172.

2m a year

A COUPLE of million Belgian francs or more is on offer for two people being sought by consultant Guy Withofs of the Brussels office of Berndtson International, on behalf of a pair of unnamed chemicals companies. I'm told that £30,000 upwards would be an equivalent salary in the UK.

The first of the jobs is for a successful manager of market research of at least five years' standing, whose experience has provided a demonstrably good understanding of the chemicals industry. Based at the U.S.-owned employer's Brussels headquarters for its business in Europe, Africa and the Middle East, the newcomer will work closely with top management. There will be three market research specialists to help and responsibilities will extend beyond the above area to co-ordinating the relevant activities of affiliated concerns.

Age 35-45. Given fluency in English candidates could come from anywhere, and competence

in other European languages would help. Inquiries to Mr. Withofs at 70 Ave. Bel-Air, 1180 Brussels, Belgium; telephone 2 345 38 05; telex 61474.

The same goes for inquiries about the similar paid job for a plant manager of a big factory close to Belgium's frontier with France, belonging to a European chemicals group. The newcomer's responsibilities seem to include just about everything—production, maintenance, quality control, distribution, labour relations, contacts with local authorities and other outside agencies, manpower planning and organisation, accounting, purchasing, and such special projects as may be added for good measure.

Candidates must show experience in a similar position sufficient to enable them to take charge of the above, and a degree in chemical engineering could be an advantage. Fluency in French, and at least working competence in English, are essential. So is demonstrable skill at man-management. Age probably at least 40.

Incidentally, in fairness to the aforementioned Peter Tomkins, I have to tell you that Guy Withofs also suffers from the tendency to be inarticulate and garrulous at the same time. He initially described the salaries for these two jobs as "extremely attractive." I hope

that he and his Berndtson colleagues will henceforth shun the adverb at least, unless they are referring to a salary level of £30,000 or more.

Sales chief

PETER LLOYD, of Churchill Personnel, prefers a different, somewhat more sensible cliché in offering a national sales manager's job covering the UK, on behalf of an unnamed international group which is soon to market in this country a new "screen-based word-processor."

His term for the pay and perks available is "negotiable." I gather that this means total earnings should be somewhere around £20,000, with other benefits including a car.

Responsible to the group's UK chief, the recruit will start by concentrating on London and the South-east. Training will be given in the special characteristics of the new product, but candidates must have experience in the word-processing business, and of managing a sales force. London is the base; 30-plus is the age.

Mr. Lloyd (15, Wilton Road, London SW1V 1LT; tel. 01-823 8053) also seeks suitably experienced sales people for the same enterprise. For these, "negotiable" rewards will be about £13,000 total earnings, with a car among the perks.

General Secretary

A General Secretary is to be appointed for a new Trade Union which is to be formed from the existing Staff Associations in the English Clearing Banks, which have a current total membership of over 93,000.

Applicants for this appointment should have wide industrial relations experience, sound knowledge of current employment legislation and the ability to negotiate with the Employers at General Management level.

A commencing salary of around £18,000 per annum would be paid, and in addition certain fringe benefits would be offered.

Applications in writing giving full career details should be sent to Box A.7000, Financial Times, 10 Cannon Street, EC4P 4BY, to be received not later than 30th January 1980.

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Veuillez adresser votre réponse en anglais, à Dr Ian Bowers.

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Management Consultants

Late 20s: c. £10,000

A major industrial holding company is strengthening its in-house team of management consultants and is now recruiting a small number of very well qualified people with relevant business experience. Successful candidates will initially work under the supervision and training of experienced consultants. Candidates, probably later 20s to early 30s, should have a good business or physical sciences degree. They should have at least 3 years' experience under demanding disciplines in Marketing, Production or Engineering Management or in Corporate Planning. Salary around £10,000. Relocation expenses to West of Scotland. Applications with full career details should be sent in confidence to A.P. Rait, as adviser to the group, at Selection Thomson Ltd., 15 North Claremont Street, Glasgow G3 7NR or Suite 11, Cleridge House, 32 Davies Street, London W1Y 1LG.

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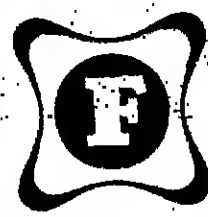
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NEW ZEALAND

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PETROCHEMICAL INDUSTRY

The New Zealand Government has recently approved the allocation of natural gas to be used in a major (2000 T/Day) Methanol Plant. Two similar-sized plants converting the gas into gasoline by the new Methanol/Mobil ZSM-5 class catalyst route will be built to enable New Zealand to achieve 50% self-sufficiency in gasoline. These plants together with the extraction of higher hydrocarbons and other downstream activities will involve an expenditure well in excess of 1 billion dollars over the next decade.

The Fletcher Group, one of New Zealand's largest public companies, intends to play a leading role in the establishment and operation of the Petro-Chemical Industry. Fletcher's need a high calibre person to support this aspiration and is seeking applications from suitably qualified New Zealanders or others desirous of returning to or immigrating to New Zealand who wish to participate with Fletcher in this exciting and significant development. Fletcher's immediate requirement is for a person who will lead a Project Team in the establishment of sections of this development. This team leader will enjoy the status and remuneration of a Managing Director of a subsidiary company. He will be Fletcher's representative at Board level in these ventures. He will need to be a person who has large-plant chemical processing and marketing experience and skills and will need to have the ability to negotiate at the highest level with Government and other shareholders. Previous participation in the planning, building start-up and operation of a large chemical project is essential.

Applications, which will be treated in the strictest confidence, are invited for the position of Managing Director.

Full details of experience, qualifications, etc., should be airmailed to:
Executive Director-Energy, Fletcher Holdings Limited, Private Bag, Auckland, New Zealand.

Other professionals interested in participating in these ventures, both as project members and later in the ongoing operations are also invited to submit their resumes.

Company Secretary
(Designate)

Lloyd's Brokers

c. £10,000 p.a.

The Richards Longstaff Group are looking for an experienced administrator to take on (i) the Company Secretarial function for six subsidiaries and (ii) a range of Personnel and Central Service duties. Ideal age: 40.

For further information (in strict mutual confidence) please contact our Managing Director, Mr. D. R. Whately. His private telephone number is 01-623 9227 and the reference number is 489.

WHATELY PETRE LIMITED

Executive Selection

6 Martin Lane, London EC4 0DL

Corporate Auditors-
European Operations

£10,000-£12,000

Our Siegler Inc has had twenty-five consecutive years profitable growth and sales now exceed 1.5 billion dollars per annum. A European Audit Team is being formed which will report to the Controller in California, through the European Audit Manager. Initially, the requirement is for team members with a fluency in Italian or German. As the working week will be spent principally in Italy and Germany, these appointments may be better suited to single persons.

The work is varied, challenging and rewarding and future prospects in audit or line functions within this growth corporation are excellent. Candidates, qualified accountants aged 24-30, preferably having internal audit experience and with either of the required languages, are invited to forward their curriculum vitae in confidence, quoting MCS/3809 to:

Ken Johnson, Executive Selection
Division, Southwark Towers,
32 London Bridge Street,
London SE1 9SY who will
acknowledge receipt and then
forward to our client.

Price Waterhouse
Associates

SYSTEMS LIAISON

London WC2

c.£9500

A senior member of the finance function, the Accountant will play the lead role in the development of computerised systems. Interfacing between user departments and analysts, he or she will be initially involved in computerisation of fixed assets and introduction of current cost accounting. The work will require creativity and provide a good promotion route in finance.

An independent operation providing a range of control services within a high technology growth industry, our client was established in 1972. Applicants aged 25-35 should be qualified accountants from the profession or industry with consultancy, systems or computer audit experience. Please telephone or write to David Hogg FCA quoting reference I/1923.

EMA Management Personnel Ltd.
Burne House, 88/89 High Holborn, London, WC1V 6LR
Telephone: 01-242 7773

European Auditor Swiss Based

for a major international consumer goods Group whose annual growth over the last decade has been impressive.

The post is in a new, broadly-based regional internal control team, comprising members seconded from the European subsidiaries. Whilst being an employee of the UK company, the successful candidate will spend an initial two years based in Switzerland, working throughout Europe, with only short periods likely to be spent in the UK. Subsequent career prospects in the Group are outstanding.

Experience of audit in international organisations, preferably including Europe, is expected. The post could be an ideal initial appointment for an accountant leaving the profession or for a person with some commercial experience now wishing to move to a leading international Group. Fluency in French or German would be a distinct advantage.

Candidates, male or female, should be aged under 30 and probably single. Salary by negotiation plus free accommodation when in Europe.

Please write, in complete confidence, to David Thompson who is advising on this appointment, quoting reference 1092.

Odgers

MANAGEMENT CONSULTANTS
Odgers and Co Ltd, One Old Bond St,
London W1X 3TD 01-499 8811

Managing Director

This 8-figure business has "blue chip" backing and a lead position in several UK building and related product market sectors. Product innovation and significant investment in new production plant provide a firm basis for future growth.

The post demands previous success in managing a substantial manufacturing business in which creative and vigorous marketing through a wide range of consumer outlets has been a key factor. Age indicator - early 40's.

Total remuneration from £20,000 with appropriate benefits.

Please write - in confidence - to Colin Bexon ref. B.17323.

This appointment is open to men and women.

MSL

United Kingdom Australia Belgium Canada
France Germany Holland Ireland Italy
New Zealand South Africa South America
Sweden Switzerland U.S.A.
Management Selection Limited
International Management Consultants
17 Stratton Street London W1X 6DB

Corporate Treasurer

This new appointment will appeal to a corporate finance specialist, aged 30 to 35, who has had US and UK experience of funding, cash management and foreign exchange operations.

The company is in an emerging high technology industry and is intent on becoming a major force in its field with a revenue of at least £150m. within five years. Responsibility will be to the Finance Director for establishing a complete treasury function at the UK headquarters and a major task will be to set up international financing arrangements with UK and US institutions.

Experience in an international bank or in the corporate treasury function of a multinational company is essential; a knowledge of UK/US taxation would be valuable.

Salary is for discussion above £15,000 with share purchase scheme, car and other attractive benefits including re-location help.

Please send brief details - in confidence - to W. A. Griffith ref. B.508.

This appointment is open to men and women.

MSL

United Kingdom Australia Belgium Canada
France Germany Holland Ireland Italy
New Zealand South Africa South America
Sweden Switzerland U.S.A.
Management Selection Limited
International Management Consultants
17 Stratton Street London W1X 6DB

Merchant Banking in Leicester

An excellent opening for the right individual
in the Leicester Office of

Singer & Friedlander Limited

An executive is required for corporate finance and Sterling banking work. Professional qualification in accountancy or law desirable; some knowledge of The Stock Exchange essential. Likely age of successful candidate - early 30s.

Write with cv to: L. A. Coppel, Managing Director
Singer & Friedlander Limited
4 The Rowpewalk, Nottingham NG1 5ES

Corporate Finance Executive

We are looking for a Corporate Finance Executive who has had at least three years experience as an analyst in a Merchant Bank or stockbroking firm covering a variety of UK and overseas industries. The successful candidate must have a sound knowledge of accounting principles and a good writing style. He or she must be capable of working with a minimum of supervision and be able to participate in discussions at a senior level with corporate clients.

The position offers the opportunity to work in a small specialised team within the Corporate Finance department. Promotion prospects within the Corporate Finance or other departments are good for the right candidate. In addition to a competitive salary, fringe benefits will include house mortgage assistance, non-contributory pension arrangements and free life cover.

Please write giving details of experience and career to date to:

P.F.G. Barnes, Assistant Director, Personnel,
Kleinwort, Benson Limited,
20 Fenchurch Street, London EC3P 3DB.

KLEINWORT, BENSON
— Merchant Bankers —

CORPORATE FINANCE MERCHANT BANKING

£9,000-£15,000 plus benefits

The business of Corporate Finance in the leading City merchant banks has continued to grow, and will develop in the 1980's.

Our clients are two of the most prestigious Accepting Houses. Their entrepreneurial and aggressive attitude towards their business, together with their excellence in performance, has placed them amongst the most successful merchant banks in the world.

We are currently recruiting at different levels of seniority to take account of the current expansion and future development of business.

Salaries are negotiable depending on the talents of the individual, but will be highly attractive, and will include good banking fringe benefits.

If you can contribute positively to this most exciting environment and this career-orientated activity, please write in strictest confidence to:-

DAVID CLARK, F.C.A., Consultant
Ref: 2001



David Clark Associates
4 New Bridge Street, London E.C.4
Telephone: 01 353 1867

Cazenove & Co.

JAPANESE DEPARTMENT

A career opportunity exists for a senior member of a small professional team.

The ideal candidate would be between 25 and 35, preferably with knowledge of the Japanese stockmarket, with sound experience of investment analysis (or, if at the lower end of the age bracket, a chartered accountancy qualification), an ability to express ideas on paper, to act on own initiative and eventually to carry on business with investment clients.

Apply in writing to:-

The Office Manager,
CAZENOVE & CO.,
12 Tokenhouse Yard, London, EC2R 7AN.

SECTION SUPERVISOR

INVESTMENT DEPARTMENT

There is a vacancy in the City Head Office of a large Insurance Company for a clerk, preferably with Stock Exchange knowledge, to supervise a statistical section dealing with all aspects of updating a large and varied portfolio including capital gains tax calculations.

Successful applicant must be prepared to move to the Colchester area in approximately two years' time.

Apply in writing to:

The Manager
Head Office Personnel
ROYAL LONDON MUTUAL INSURANCE
SOCIETY LTD.
Wellington House
Ruit Road, Colchester, Essex

INDUSTRIALIST WITH VERY SUBSTANTIAL RESOURCES
SEEKS PERSONNEL ASSISTANT WITH

MERCHANT OR INVESTMENT BANK

experience to recognise, research, analyse and negotiate investment opportunities, acquisitions and disposals primarily in the United States, the United Kingdom, Switzerland, France and Germany.

Very high remuneration is offered

Please reply Box A7001

Financial Times, 10 Cannon Street, EC4P 4BY

FINANCIAL CONTROLLER

West Surrey

c\$10,000 + car

Reporting to the General Manager, the Controller will take responsibility for the full accounting and finance function. Supervising a small staff, he or she will continue the development of systems through computerisation. A senior member of the management team, the Controller will be expected to play a key role in all general management decisions, and will have considerable opportunity to display creativity.

Manufacturing and marketing high volume consumer goods, our client is a subsidiary of an international group. With a seven figure turnover, the company is poised for expansion both organically and through acquisition. Aged 28-35, applicants should be qualified accountants with commercial experience. Please telephone or write to David Hogg FCA quoting Ref 1/1926.

EMA Management Personnel Ltd
Burne House, 88/89 High Holborn, London, WC1V 6LR
Telephone: 01-242 7773



GEOSURVEY INTERNATIONAL LIMITED

Geosurvey invites applications for the following positions
all of which offer good career prospects and excellent salaries:

SENIOR GEOPHYSICIST

An experienced geophysicist is required to organise, process and interpret airborne electromagnetic surveys. These surveys will employ active multi-frequency fixed-wing AEM and helicopter towed-bird HEM systems. Applicants must have practical experience of organising such surveys and an advanced understanding of computer-assisted presentation and interpretation methods. The position is based in London but demands supervisory trips to field operations in Africa.

INTERPRETATION GEOPHYSICIST

An experienced geophysicist is required to interpret high sensitivity airborne magnetics for petroleum exploration. The position will involve using computer-assisted interpretation techniques and developing the necessary FORTRAN programs. Applicants must have had at least three years' experience in the petroleum industry. The successful candidate will be based in Geosurvey's London office at East Molesey.

DATA PROCESSING MANAGER

An experienced person is required to manage a data processing centre and supervise the processing of airborne geophysical data. A thorough understanding of all aspects of computer-assisted mineral geophysical processing is essential particularly line gridding and contouring systems. Applicants must have had at least five years' experience in the mineral exploration industry. The position is permanent and based in London.

IMAGE PROCESSOR

An image processing scientist is required to work with a team of geophysicists and computer programmers to develop a computerised image processing system for use in mineral exploration. The successful candidate will develop and test various methods of digital image enhancement, classification and interpretation. Applicants should have a background in mathematics, physics or engineering. Experience in FORTRAN programming in an industrial environment is essential. Geosurvey also has a vacancy for the following position which will be on a three-year contract:

SENIOR EXPLORATION GEOLOGIST

An experienced exploration geologist who is bilingual in French and English is required to work in West Africa. This position will involve organising the ground follow-up of an airborne geophysical survey. We are looking for an enthusiastic geologist with wide mineral exploration experience and a good organising ability. Candidates must have at least ten years' experience in mineral exploration and should be fully conversant with all modern exploration techniques. Preference will be given to applicants who have worked in Africa.

All applications should be accompanied by a curriculum vitae with the names of three professional referees and full details of educational qualifications and professional experience.

Replies should be addressed to:

Chief Geophysicist,
GEOSURVEY INTERNATIONAL LIMITED,
Geosurvey House,
Orchard Lane,
East Molesey,
Surrey KT8 8BY.

OPERATIONS AUDIT

Recently Qualified

Germany

£15,000 + car

Reporting to the European Headquarters in London, the Operations Auditor will be responsible for the review of commercial and financial systems, controls and procedures of the highly sophisticated DM 80 million German subsidiary. Travelling throughout Germany, to the UK and the U.S., the Auditor will additionally work on a variety of special exercises including the evaluation of prospective acquisitions.

With a turnover in excess of 12 billion, our client is one of the world's foremost service management organisations. The European operations are undergoing rapid growth, both organically and through acquisition. Applicants should ideally be qualified accountants from international professional firms and must be capable of working in German. Please telephone or write to David Hogg, FCA, quoting reference 1/1935.

EMA Management Personnel Ltd
Burne House, 88/89 High Holborn, London, WC1V 6LR
Telephone: 01-242 7773

Jonathan Wren · Banking Appointments



The personnel consultancy dealing exclusively with the banking profession

INSTITUTIONAL SALES

£15,000+ and Bonus

Our client has successfully marketed a new investment concept to the institutions in the U.S.A. and Europe and is now looking for an experienced Institutional Sales Executive to set up their London operation. The position is unusual and challenging, and requires a strong marketing flair. Earnings potential is virtually unlimited for the right candidate. Please contact KEVIN BYRNE

MONEY DEALER (Birmingham)

£ negot.

Our client, the Birmingham office of a leading international bank, wishes to recruit an ambitious young banker to take responsibility for the Sterling and Currency funding of the branch.

Candidates, aged in their twenties, should have a knowledge of Foreign Exchange and be particularly interested in this field. Experience may have been gained in banking, or possibly in the Treasurer's Office of a commercial company. Enthusiasm and an outgoing personality are important; knowledge of the principal companies in the West Midlands would be advantageous. Salary will not be a prohibitive factor for the right candidate. Please contact KEN ANDERSON

SENIOR LOAN ADMINISTRATION OPERATIONS

to £10,000

If you have a thorough knowledge of: currency syndicated loans, withholding Tax, Rollovers, Amortisations etc plus a second language (Spanish/Portuguese), this expanding international bank would like to meet with you. Excellent career prospects. Please contact BRIAN GOOCH

First floor - entrance New Street
170 Bishopsgate London EC2M 4LX 01-623 1266

Financial Planning and Control

International Banking

Bank of America, the world's largest privately owned bank, is seeking two experienced professionals to join the Financial Planning and Control Department in its Europe, Middle East and Africa Division, based in London.

Candidates, preferably with an accountancy qualification and in their 20's to early 30's, must have sound experience of financial analysis, planning and control or management reporting, ideally gained within a multinational organisation. Personal qualities of initiative, tenacity and self-motivation are regarded as essential.

These positions represent most attractive opportunities to contribute to a rapidly expanding area of the Bank. The successful candidates will be given substantial scope for career development, and competitive salaries will be augmented by benefits which include low interest mortgage, non-contributory pension and free BUPA.

Applicants should send full career and salary details to: A. J. Tucker, Recruitment Officer, Bank of America NT & SA, 25 Cannon Street, London EC4P 4HN.



FOREIGN EXCHANGE FORECASTING AND DEALING SERVICES

A unique opportunity exists to join an established team of experts offering Foreign Exchange Forecasting services. We are seeking experienced individuals with a strong background in the field of forecasting techniques, plus the application of those techniques through the International Money Market Division of the Chicago Mercantile Exchange. A well-qualified financial background, possibly in stock-broking, is essential. Remuneration reaching well into the six figures will be achieved by someone capable of penetrating the new and exciting market for the 1980's.

Write with curriculum vitae to: RANOLD CONSULTANTS LIMITED (Financial Futures Division) 54 Pall Mall, London SW1Y 5JH

QS BANKING RECRUITMENT CONSULTANTS

Auditor (General Banker) Africa £ negotiable
Graduate Business Development Officer £10,000
Auditor (ACA) £10,000
Accountant (Part Qualified) £7,000

We should also like to hear from Clearing Bankers seeking to develop their careers.

Please telephone Mike Pope or Sheila Anketell-Jones 01-236 0731 30-31 Queen Street, EC4

Hoggett Bowers

Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

Systems Management Opportunity to use APL

London based

Promotion and expansion within a management services division of a major multinational has led to the following vacancies. The division is responsible for shared development of computerised systems as they apply to operating companies and their customers.

Manager - Project Control

c £11,500 + car

This position is responsible for providing a technical project management service to as many as 6 centralised development projects at any one time, all related to the operating company/customer relationship. It will also provide a single point of control within the HQ unit for monitoring and tracking the costs of integrating systems and for developing better communications using current technology. It will involve management of people for projects of this kind.

Ref: 22170/FT

Project Manager

c £11,500 + car

The essential abilities are to create and gain agreement to a system specification in conjunction with operating company requirements. The Manager will subsequently be responsible for controlling the system build, testing and implementation through local company management services functions.

Ref: 22171/FT

Candidates for the above positions will be ideally 27-35, graduates, with proven systems management preferably in a multinational environment. The backgrounds will include some FORTRAN and ideally APL as this will be used in some systems. They will be excellent communicators both orally and in writing and experienced in presentation to senior management. The client offers a first class benefits package and prospects second to none. There is a travel content of about 25%.

Senior Functional Analyst

to £11,000

The position requires not only the ability to analyse effectively but also to interpret the facts and present the arguments to support the interpretation to senior management. Much of the work will involve research and analysis of policy issues and developing policy guidelines acceptable to all of the many projects being managed at any one time. Other responsibilities will include providing management with alternatives and decision making tools from analysis of current systems integration. Applicants will be aged 26-32 and graduates. Their backgrounds will include analysis and interpretation and they must be able to show their ability to resolve issues prior to presentation of findings. Experience in a multinational is an advantage as is previous work in APL or FORTRAN. Prospects and benefits are excellent and there is a travel content of about 25%.

Ref: 22172/FT

Please quote appropriate reference. Male or female candidates should telephone in confidence for a Personal History Form to N.P.S. Lilley, LONDON: 01-734 6852, Sutherland House, 5/6 Argyle Street, W1E 6EZ.

GROUP FINANCIAL CONTROLLER

London

neg. to £25,000 + Car

Our client is a diverse quoted group with substantial worldwide interests. Reporting to the Board, the Group Financial Controller will play a significant role in the group's business development and have responsibility for the control and development of group reporting procedures.

Candidates, probably aged 35-45, will be qualified accountants currently holding a position of comparable stature with an international group. They should adhere to the concept of strong control and reporting disciplines and demonstrate the maturity and commitment to succeed at a senior management level in a demanding corporate environment.

Candidates for this appointment should submit a curriculum vitae or write requesting a personal history form to Nigel V. Smith, A.C.A., or Liam Fitzpatrick, A.C.M.A., at 410 Strand, London WC2R 0NS, tel: 01-836 3501, quoting reference 2730.

DOUGLAS LLAMBIAS

Douglas Llambias Associates Ltd.
Accountancy and Management Recruitment Consultants



and at 121 St. Vincent St., Glasgow G2 5EW (041-226 3101)
3 Coptic Place, Edinburgh EH3 7AA (031-226 7744)

U.K. RESEARCH ASSISTANT BANK OF SCOTLAND INVESTMENT DEPARTMENT

Bank of Scotland has a vacancy for an experienced Research Assistant to supplement the Pension Funds team within the Investment Services Department in Edinburgh.

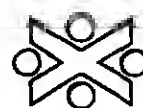
The position involves the analysis of the U.K. Equity Market and the preparation of written reports on holdings in particular sectors.

Applicants should have at least four years' post qualifying experience preferably in the Research Department of a Stockbroker's Office or an Institutional Investment Department.

This is a first class opportunity for a young Research Assistant to widen his/her professional experience working within an expanding and soundly based Joint Stock Bank. Salary, which will be commensurate with experience, will be in the range of £7,185-£8,805 per annum plus a 7% Supplement per annum. In addition there are other attractive benefits including a Non Contributory Pension Scheme and loans at preferential rates for house purchase and other approved purposes.

All enquiries will be treated in the strictest confidence and application forms for the post may be obtained from—

Bank of Scotland,
Staff Department,
P.O. Box 5,
The Mound,
Edinburgh, EH1 1YZ.



BANK OF SCOTLAND

Housing Finance

London W.1.

The Housing Corporation which promotes, supervises and finances housing associations nationally requires for the London Regional Office:

REGIONAL ACCOUNTANT

c. £8,000+ (under review)

This excellent opportunity offers variety and responsibility to a qualified accountant. As part of a small, young team the successful candidate will exercise both expertise and initiative in responsibility for the financial supervision of London's 700 registered housing associations, including systems audit, programmes, regular financial monitoring and special investigations. The team also provides a financial consultancy service to housing associations, prepares regional investment forecasts and administers grant procedures.

ACCOUNTS MANAGER

c. £7,500+ (under review)

There is a further opportunity for a qualified or part-qualified accountant with management experience seeking additional responsibility. The appointee will lead a team of 6 which is responsible for processing and approving loans and grants to housing associations in London (totalling some £30m each year), and financial input to our computer. There will be ample scope for exercising initiative in establishing procedures in this new team.

Excellent conditions of service include an index-linked superannuation scheme transferable within the public sector and relocation expenses may be payable. The London Regional Office will move in April to new offices near Oxford Circus.

For further details and an application form telephone Julia Gill on 01-367 9465, extension 344, or write to her at: The Housing Corporation, London Regional Office, 149 Tottenham Court Rd., London W1P 6BN. Closing date 25th January 1980. Ref 98/1



The Housing Corporation

Laing & Cruickshank

ECONOMIST

Laing & Cruickshank requires an assistant economist to work in the gilt edged department. The work involves the compilation of regular reports on the UK economy and gilt edged market and research reports on issues of current interest.

Familiarity with the operation of monetary policy and with the institutional background to the gilt market would be desirable but is not essential.

The work is flexible and challenging and offers excellent prospects for the successful candidate.

Age 23-30. Salary c. £8,000 + bonus.

Please apply to

M. S. Evans
LAING & CRUICKSHANK
The Stock Exchange
London EC2N 1HA

QS BANKING RECRUITMENT CONSULTANTS MIKE POPE MONEY MANAGEMENT APPOINTMENTS

Unlike some of our competitors we are not a large consultancy, although since our opening 14 months ago we have made over 300 placings in Banks and Money Brokers. We feel that by remaining small we can offer applicants individual attention. Please contact either Mike Pope or Sheila Anketell-Jones for an appointment on 01-236 0731. 30-31 Queen Street, E.C.4

FINANCIAL DIRECTOR

Industrial Manufacturer
With Overseas Subsidiaries

Southern England

c £12,000 + car + exec. bens.

Join a Company with £10 million turnover, part of a major holding group. Substantial growth plans result in the need to strengthen its Management Team. This is a new board appointment offering great opportunity to play a key role.

Our Client: Established 50 years, the Company leads in its field and manufactures and distributes a wide range of high performance light engineered capital goods. It forms part of a substantial, highly profitable group, and plans are in hand to increase the share of a growing market, particularly overseas.

Your Opportunity: Reporting to the M.D. you will assume control of and develop further, Company financial management functions. You will be responsible for Company finances, evaluating performance, and will control • Monthly Reporting • Consolidations • Financial Planning

Budgets • Internal Control Systems • EDP Systems • Secretarial matters.

Our Ideal Candidate: A Chartered Accountant (ideally 30-40) with • a proven track record in financial management • good commercial judgement • well developed entrepreneurial skills • the personality to become part of a small, tightly knit team and impose the reporting procedures and tight financial controls of a large group.

Your Rewards: A good basic salary + executive car + BUPA + pension plan + removal expenses if required. Excellent short term promotional prospects.

ACT NOW! Write or telephone (in the strictest confidence) to the Company's adviser DAVID BURNS, B.Sc.(Eng.) C. Eng., M.I.Mech.E. (Director) on 01-388 2051 (or 01-388 2055, 24 hour Answerphone). Quote Ref. 368. This appointment is open to male/female applicants.



MERTON ASSOCIATES (CONSULTANTS) LIMITED
Merton House, 70 Grafton Way, London W1P 5LN
Executive Search and Management Consultants

Hoggett Bowers

Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

Assistant Chief Accountant

North of England, £ five figures + generous benefits

A new senior position has been created by this leading financial institution in order to strengthen the management structure, and to assist in the Company's succession planning. Applicants, probably 30-40, must be qualified accountants, ideally both ACA and ACMA and must be used to controlling the day to day activities of a large, fast-moving Accounts Department. They should have a thorough knowledge of budgeting and planning (both short and long term), current taxation and management accounting. The Company offers excellent benefits including house purchase assistance, bonus and profit share and generous relocation expenses where applicable.

C.G. Moores, Ref: 24210/FT. Male or female candidates should telephone in confidence for a Personal History Form to: MANCHESTER: 061-236 6881, Sun Life House, 3 Charlotte Street, M1 4HB.

Financial Accountant

24-35

London

c £9,000

A leading high technology US multinational company with European headquarters in Paris seeks a high calibre financial accountant for their London office which supervises their UK operations. This is a career appointment.

Reporting to the Chief Accountant the new man or woman is to be responsible for around 20 staff, daily cash management, monthly reporting to strict deadlines and special investigations. Control of accounting records to the highest UK and US standards are normal company procedures.

Ideal candidates (ACA or ACMA) will probably be graduate accountants who have qualified in a leading firm of Chartered Accountants or in a large company and will thus quickly grasp the appropriate sophisticated systems.

Some management experience is essential. Outstanding graduates who await their exam results will also be considered. The remuneration package is to be based on a salary of around £9,000. Promotion in London or Paris depends upon both management and professional ability.

Applicants should telephone or write for an application form quoting reference 801.

Roland Orr
Management Consultant

35 Piccadilly, London W1V 9PB. Telephone: 01-734 7282.

Accounts Manager

City £ five figure + mortgage subsidy.

Our client, a large international financial concern is seeking a Chartered Accountant to manage the Accounts Department.

The person appointed will have had substantial previous experience in managing computerised accounts in a financial group environment including specific experience of foreign exchange transactions and Bank of England returns.

He or she must be able to demonstrate good experience in managing people successfully.

This is a challenging position which will provide the right person with opportunities for future career development.

An attractive salary will be offered together with normal banking benefits, including house mortgage subsidy, BUPA, pension and life assurance.

Please write, including a full curriculum vitae and listing any companies to whom you do not wish your application forwarded to:

J.D. Vine (CRS/145), Lockyer Bradshaw & Wilson Ltd.,
North West House, 119/127 Marylebone Road, London NW1 5PU.

LBW

LOCKYER, BRADSHAW & WILSON
LIMITED

TOP PUBLIC RELATIONS CONSULTANTS

required for:
The Good Relations Group

The Good Relations Group is one of the country's leading public relations consultancies.

We employ over 60 people offering skills in the field of corporate, financial, industrial, consumer and government affairs.

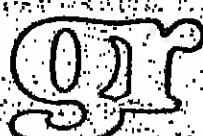
In the last two years alone we have grown by over 100% and our client list is the most impressive in the business.

The quality of our consultants is our greatest asset, and we believe they are the best in their respective fields. As a result, finding good people to meet our standards is more difficult than finding good clients.

We are looking for executives of the highest calibre to join our Corporate and Financial divisions. The successful candidates will have a proven track record in public relations consultancy at the highest level.

Suitable candidates are currently likely to be earning between £10,000 - £20,000 per annum.

Please write giving full details to:



M. Smith
Managing Director
The Good Relations Group Limited
15 Adelphi Place
London WC1B 3AJ

Technical Services Manager

TSB Insurance Services

c. £12,000 p.a. + car and mortgage subsidy

TSB Insurance Services is one of three businesses operated by TSB Trust Company in Andover, Hants. It provides an insurance facility for Trustee Savings Banks products and services, and is also beginning to develop general insurance products for sale in TSB branches, using an insurance broking brand name approach.

In line with the Company as a whole, TSB Insurance Services business is growing at an impressive rate and with over 8 million TSB's customers, the potential to expand even further is tremendous. The person we seek, male or female and preferably aged 30-45, will be a qualified all round insurance professional who will recognise this potential and develop and manage all aspects of technical support for Insurance Services products, including the creation of brand new departments and standards.

Through the development of an insurance broking facility, you will also have the ability to negotiate and determine agreements with insurers, in respect of content, underwriting and servicing of TSB Insurance Services products. Therefore, substantial experience as a company fire and/or accident underwriter is essential, together with a senior management background, preferably currently at director level, with a large insurance broker.

c. £12,000 p.a. is offered on a scale rising by annual increments to £13,254 p.a. (review May 1980). Benefits include a Company car, subsidy on a mortgage up to £25,000; non-contributory pension; life insurance; permanent health, personal accident and BUPA Schemes.

For an application form please telephone or write, quoting ref. IS/TS.

Personnel Department, P.O. Box 3,
Reems House, Andover,
Hampshire SP10 1PG.

Tel: Andover (0264) 62188 Ext. 379.

TSB

Trust Company Limited

Treasurer/Chief Foreign Exchange Manager

Saudi Arabian Bank

A major bank in Saudi Arabia requires an experienced banker to assume the role of Treasurer/Chief Foreign Exchange Manager. His main functions would be to develop a viable Foreign Exchange business, to manage the bank's liquid position, to advise top management on Foreign Exchange Markets and to train young Saudi bankers in Treasury/Foreign Exchange work.

The chosen candidate would have occupied a senior and responsible position in the Treasury/Foreign Exchange Departments in the Head Office of a major bank. Nationality is of no importance, but fluency in English is essential. Some Middle East experience would be useful.

Bankers with suitable experience and qualifications are invited to submit their curriculum vitae in confidence, stating the name of any bank to which it should not be forwarded.

Please reply with full career details in confidence to:
Box No. 2924, Gould & Partners Ltd,
55-57 High Holborn, London WC1, England.

ACCOUNTANT INTERNATIONAL FINANCIAL SURVEYORS

WITH OFFICES IN LONDON AND WASHINGTON

We offer consultancy services to Banks and the Insurance industry and the applicant should have experience of Bank and Financial Institution audits, including computerised accounts. We are seeking a qualified Accountant in the early thirties age range, who must be prepared to travel worldwide and whose duties will include some administration in the London office as No. 2 to the Managing Director.

This is an ideal opportunity for someone who has the drive and ambition to make a success of their career in a small specialised company where results will secure advancement.

Salary c. £12,000 + car + benefits.

Apply in own handwriting with comprehensive career details to:
Box A7008, Financial Times, 10 Cannon Street, EC4A 4BY.

THE STOCK EXCHANGE

NEEDS GOOD CLERICAL STAFF TO HELP RUN OUR NEW TALISMAN SETTLEMENT SYSTEM

Ideally candidates will have some knowledge of the securities industry, particularly in the area of sold transfers. Aged 21 to 40.

Commencing salary will be in the region of £4,800. Fringe benefits are attractive and include a non-contributory pension scheme.

Please telephone or write to

Barbara Coulson, Personnel Department
The Stock Exchange, London EC3N 1HP
Telephone number 01-583 2355 Ext. 883

GROUP FINANCIAL DIRECTOR

SW Herts £12-15,000 + car

Our client, a large Swedish public Company, is seeking a Group Financial Director (GFD) for its English Group, which consists of four operating companies and a holding company. Established in the UK since 1976, the Group's activities lie in the production and marketing of industrial products, and the sale of consumer goods. Turnover currently runs at c£5m and is increasing very rapidly.

As sole employee of the Holding Company, the GFD will have complete responsibility for the Group's financial resources, insurance and internal audit, and will work with operating Company management in the formulation and development of relevant financial systems and policy. The reporting line will be straight to the Swedish parent.

Applications are invited from qualified graduate accountants with good all round experience, including 'currency transactions' (a key area) costing and budgeting, along with an interest in the theoretical as well as the practical aspects of finance. Personal qualities are also of prime importance, to facilitate relationships with colleagues and banking contacts. The successful applicant will enjoy a challenging and varied role, and for the right person there will be excellent future prospects in the Group. Age range 30-45.

Career plan

Executive Recruitment Consultants

Please apply: Nigel Halsey
Career Plan Ltd
Chichester House
Chichester, Hants
London WC2A 1EG
Tel: 01-242 5775

Shell U.K. Limited

Shell U.K. Limited has vacancies in its Finance Divisions in London for high calibre, professional staff in the age range 25/35. Starting salaries will be competitive and will depend on experience and relocation expenses will be paid where appropriate.

Opportunities exist in:-

Management Accounting

Preparation of management control information, analysis of investment proposals and appraisal of business results of the Company and all its activities. For this department we would prefer a Chartered Accountant with a degree.

Financial Accounting

Preparation of corporate and consolidated accounts for the Shell UK group. For this position ideally we are looking for a Chartered Accountant with some post qualifying experience.

Treasury

Evaluation, negotiation and implementation of a wide range of corporate and project finance activities. You should preferably have a degree in economics or a related field, with some experience in banking or corporate finance.

Taxation

A wide range of general tax problems on trading arrangements in the U.K., including the preparation of corporation tax computations with capital gains and development land tax. Preference will be given to a qualified accountant with experience of company taxation.

Financial Procedures

Systems design for computer and manual financial procedures. You should be a qualified accountant or graduate in a relevant discipline with some previous experience in industry/commerce.

The successful applicants can anticipate rewarding careers within Shell. We also offer an excellent pension scheme, and other employee benefits.

Please telephone or write for an application form to:-

SHELL U.K. LIMITED
UKPCF/52, Shell-Mex House, Strand, London WC2R 0DX. 01-438 3138



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In the serious business of marketing yourself, MINSTER EXECUTIVE provides the professional, individual and comprehensive career counselling service that has achieved outstanding results. After evaluating your full potential we direct you through every stage of the 'job search', furnishing you with material individually tailored to your specific needs, and counsel in the art of being interviewed.

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28 Bolton Street, London W1Y 8HR. Tel: 01-493 1309/1085

An opening with

de Zoete & Bevan

for a

SALES EXECUTIVE/FUND MANAGER

The successful applicant will assist in the expansion and management of our private client business and services.

Applicants should have several years' Investment Management experience and be 25-35 years old.

Gross remuneration will be attractive.

Applicants should send detailed curriculum vitae to:



C. M. Brown Esq.
de Zoete & Bevan
25 Finsbury Circus
London EC2

Marketing Director

c. £18,000 + bonus + car

Our client is an outstandingly successful manufacturer in the DIY/Home Improvement field with a remarkable record of growth in both turnover and profitability through well established demand at home together with healthy export business.

Plans to broaden into a related market are now well advanced and will be structured by promotion of the present Marketing Director to a new role. His successor is now to be appointed with responsibility for conventional tasks and with full opportunity to contribute to the company's further expansion.

Candidates, male or female, aged 28-35 must have a degree and MBA plus experience in a senior marketing role in fast moving consumer goods or DIY, but above all be able to complement a highly professional enthusiastic team. Fringe benefits are excellent and include relocation assistance to the North West.

Apply in confidence for an application form, quoting reference P.121A, to ERP International Recruitment Ltd.,
Clementine House, St. Werburgh Street, Chester, CH1 2DY.
Telephone (0244) 317836 (Answerphone after 5.00 p.m.)

Offices in London, Chester, Jeddah, Amsterdam, Brussels, Milan, Paris



Financial Controller/ Company Secretary (DIRECTOR DESIGNATE) Circa £11,000 + Bonus + Car

We offer a significant career opportunity to an ambitious accountant with a consistent record of success who is now ready for the next challenge.

Bestobell Mobrey is a well established leader in the design, development and manufacture of specialised control equipment whose markets include petrochemical, marine and process industries, plus municipal users. The company also leads an international Controls and Instrumentation group involved in distributing and servicing the product range through its nine companies in the U.K., Europe and Canada. Altogether the companies covered by the position have an increasing turnover of £20 million per annum.

The person we seek will have a direct financial and company secretarial responsibility at Bestobell Mobrey as well as overseeing these activities in the other companies. Primarily, he or she will provide financial guidelines within Bestobell Limited corporate policy for the financial control of the operating business units. This will include budgets and long term planning and the maintenance of all accounting records.

A preferred qualification would be an A.C.M.A. or A.C.C.A. together with at least eight years' experience preferably in line management within a manufacturing or service industry.

As a headquarters function, this job is based at Slough where there is direct responsibility for staff. There is a commitment to travel regularly abroad, mainly to Europe and Canada.

Benefits will include bonus, company car, free BUPA, pension scheme, and 22 days annual holiday.

Please write or telephone giving brief details to:
Paula Hughes, Personnel Officer,

**Bestobell Mobrey
Limited**

190/196 Bath Road, Slough, SL1 4DN.
Tel: Slough 34846 ext. 118.

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OPERATIONS MANAGER — LONDON: A new position requiring a person aged late 30s with sound financial experience of London and Gulf areas. c. £17,000.

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ACCOUNTANTS: We have many positions with leading banks for young ambitious Accountants. c. £9,500.

We also have many vacancies in Eurobond Management, Investment Management/Analysis, Lending, Securities and Loans Admin. These vacancies and those mentioned above all carry benefit packages.

Please reply in the first instance to Mike Jackson.

Hudson Shribman International Ltd
College Hill Chambers,
23 College Hill, London EC3
Tel. 01-248 7851

INVESTMENT MANAGER

City Good salary + benefits

An old established group of City financial investment companies wish to appoint an Investment Manager who will be responsible to the Board for the control of the companies' quoted investments.

Experience of overseas markets an advantage. Proven ability essential. Age ideally 30-45 years. Knowledge of company administration and secretarial work an advantage.

Please apply with full details to: Box A7003
Financial Times, 70 Cannon Street, EC4P 4BT

Management Accountant

Oil Industry

London

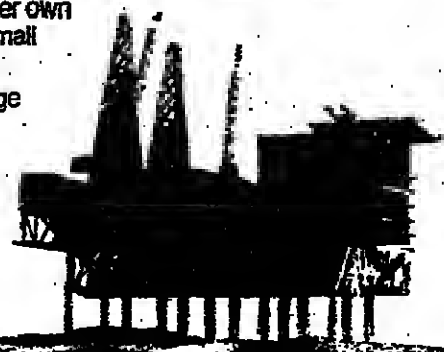
Marathon Oil U.K. Ltd. is rapidly expanding in the exploration and production of oil and gas. Our activities in Europe, Africa, Asia and the Middle East include a major North Sea development project, now in the design and fabrication stage, which is scheduled to come on stream in 1983.

It is our continuing growth, combined with internal promotion which has created an excellent opportunity for a Management Accountant to join the London budget group. The successful applicant will prepare annual budgets and forecasts, liaise with operations, exploration and administrative managers, and produce monthly variance reports.

Probably aged 25-30, applicants should ideally be fully qualified although part-qualified candidates with potential will also be considered. In either case the successful applicant will have sound experience of management accounting, combined with numeracy and the ability to work on his/her own initiative under pressure in a small professional department.

The salary and benefits package will appeal to highly capable men and women. Career prospects within our expanding organisation are excellent.

Please telephone for an application form or write with full career details.



Paul Wood, Marathon Oil U.K. Ltd.
174 Marylebone Road, London NW1 5AT
Tel: 01-486 0222



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Paris Based

£10-£14,000

A rare opportunity has arisen for a young French-speaking Accountant or Business graduate with accounting experience to join the Paris office of a U.S. industrial group engaged in energy-related projects. Your initial function will be the production of internal accounting and administrative policy and procedure manuals in conjunction with all departments, both in Paris and on site in Algeria. This will entail frequent travel between these locations. In your twenties with an analytical mind and report-writing flair, you must be capable of communicating with all levels of management in a truly international setting.

Telephone: 01-836 1707 (24 hr. service) quoting Ref. 0948/FT. Reed Executive Selection Limited, 55-56 St. Martin's Lane, London WC2N 4EA.

The above vacancy is open to both male and female candidates.
London Birmingham Manchester Leeds

INTERESTED IN PROFITABILITY?

Head Office
Management Reporting
c. £8,000

We are looking for a young Chartered Accountant to join the London Head Office of a quoted Manufacturing Group. Turnover £10m. Primary responsibility will be for the refinement and control of management reporting systems. This position is seen as an ideal opportunity for a newly qualified person to exercise professional skills in an industrial environment. Early availability a distinct advantage.

Please apply in confidence with full cv. quoting ref COA/2 to Box A7012, Financial Times, 10, Cannon Street, EC4P 4BT.

Hoggett Bowers

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BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

Group Financial Director

London or Midlands, c. £20,000 + car

The client is a substantial UK engineering group mainly involved in large capital goods design manufacture and contracting worldwide. Turnover is currently £50M and includes overseas subsidiaries. Reporting to the Group Chief Executive, the Group Financial Director will play an important role in the future expansion and management of this successful group. Prime management tasks will include all group financial and management information systems, treasury and group funding, all secretarial, insurance and pensions activities. Head Office staff will number some 20 people. However, equally important, will be the personal influence exerted over group subsidiaries M.D.'s and financial controllers to achieve the maximisation of their resources and the compliance with group plans. Candidates aged 35-45 must be qualified accountants and must show outstanding success in substantial engineering companies preferably with a contracting or large project bias.

G.E. Forester, Ref: 18251/FT. Male or female candidates should telephone in confidence for a Personal History Form to: LONDON: 01-734 6852, Sutherland House, 5/6 Argyll Street, W1E 6EZ.

Financial Consultants

Up to £14,000

At PA, our comprehensive involvement in corporate and business consultancy has shown us that even the most sophisticated organisations value the specialised and objective advice of external experts on broader financial issues and in instances of major change. Our consultancy service to commercial, industrial and public sector clients therefore concentrates, typically, on areas of significant management concern such as business and financial planning and control, corporate financial reviews, and the design and implementation of management information and advanced office and control systems.

Distinguishing features of our work are the extensive use we make of computer-based systems and the broader business know-how which we apply to every assignment we undertake, many of which are on a multi-discipline team basis. This extends into a necessary involvement in implementation and managing the process of change as it affects the

company and its staff.

This is a role which will attract qualified accountants (ACA, ACCA or CIMA), probably aged 28-32, with several years experience in industry and a practical knowledge of computer applications. You must also have a broad business awareness and, since our work is international in scope with opportunities for work on overseas projects, an additional language would be an advantage. Additionally, we have a vacancy for prospective consultants, aged 26-28, seeking to enlarge on their current experience. Development prospects are excellent. The positions advertised are based in London and Birmingham. Please indicate which locations are of interest to you. Please write in confidence giving essential career details and showing how you meet the main requirements, to the Personnel Manager, quoting reference GFF.

PA Management Consultants Ltd

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874



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INSTITUTIONAL EQUITIES

Retailing and Foods

LAURIE, MILBANK & CO. having a major presence in Gilts and Money Broking now wish to strengthen further their position in the U.K. Equity Market. They would like to hear from any experienced Analysts/Specialist Salesmen in the Retailing or in the Food Manufacturing Sectors.

The preferred age would be in the 25 to 35 range. There are substantial opportunities for rapid career development.

This position is open to both male and female applicants.

Please reply to:

T. J. Amies, Research Partner,
LAURIE, MILBANK & CO.,
Portland House,
72 Basinghall Street, London EC2V 5DP.
Tel: 01-606 6622.

INVESTMENT ASSISTANT

We are looking for an assistant to join our small but expanding Investment department.

The successful candidate will be employed on the management of our gilt portfolio and experience in this field is essential. He/she should be educated to 'A' level or graduate standard.

An attractive salary and fringe benefits commensurate with a position of this level are offered.



Applications in writing to:
Personnel Officer
SWISS REINSURANCE COMPANY (UK) LTD.
108 Cannon Street
London EC4N 6HE

INTERNATIONAL BANKING

£5,000—£12,000

Our client list contains most of the genuinely active international and merchant banks offering interesting careers in such varied activities as Eurocurrency Credit, Loans, Foreign Exchange, Management Accounting.

Opportunities occur at all levels... from those requiring relatively brief experience in banking to those demanding much more extensive and specific expertise.

To discuss your own particular career objectives please telephone Ann Costello or John Chiverton A.I.R.

JOHN
CHIVERTON
ASSOCIATES LTD.
31, Southamption Row
LONDON W.C.1
01-242 3441

Mothercare

Watford

c.£9,000+car

Due to the continued expansion of Mothercare, a vacancy has occurred for a young and ambitious qualified accountant.

Reporting to the U.K. Chief Accountant you will assist with the preparation of budgets and their control, the development of corporate planning using sophisticated modelling techniques, capital expenditure reports and year end accounts. Once established further interesting responsibilities will be delegated involving liaison with operating units and the enhancement of management reporting procedures.

The reputation of Mothercare, founded on its management and profits record, together with its controlled growth ensures that opportunities for advancement are far reaching. Excellent benefits including relocation assistance if applicable, make this an attractive position.

Contact David G. Nairn on 01-405 3499
quoting reference DN178/MCF

Lloyd Management

Recruitment Consultants

125 High Holborn London WC1V 6QA

01-405 3499

Hoggett Bowers

Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

Commercial Accountant

Young Chartered Accountant

Brussels, c. £17,000

For an international contracting company involved in third world turnkey projects. Reporting to the Group Financial Controller the successful candidate will join a small, young and energetic team providing the total finance function. Responsibilities will include project appraisals and proposals, international funding, negotiations on the purchase of equipment, cash flow forecasts and consolidations. This will provide the grooming for progression to involvement in top financial decision making within the short term and so the highest level of ambition and commitment is required. Aged 25-30 applicants, ideally but not essentially graduates will have post qualification experience in either a contracting or heavy industrial environment. Benefits and prospects are excellent.

N.P.S. Lilley, Ref: 22175/FT. Male or female candidates should telephone in confidence for a Personal History Form to: LONDON: 01-734 6852, Sutherland House, 5/6 Argyll Street, W1E 6EZ.

Ambitious Qualified Accountant Hants

Schlumberger are a very successful international company with principal activities in the field of electronics. Their continued success depends on the exercise of strong financial control in a heavily decentralised business structure. Consequently there is a need to maintain a network of high-level controllers by recruiting qualified accountants who have the capacity to develop their careers within a challenging environment.

Currently a vacancy exists within the U.K.'s headquarters at Farnborough, Hampshire presenting a unique opportunity to the right applicant. A recognised qualification is essential; a degree is

desirable, and a knowledge of French would be useful.

We offer a competitive salary together with excellent career prospects and the usual large company benefits. Generous assistance will be given with relocation expenses where appropriate. If you feel that you have the necessary experience and qualifications, please write with brief but sufficient career details to:

Berry Simmonds, Personnel Manager,
Schlumberger Measurement and Control
(UK) Ltd,
Victoria Road, Farnborough,
Hants. GU14 7PW.

Solartron

Schlumberger

Assistant Group Treasurer

c. £15,000 plus car

A major British engineering group, based in the Midlands, is seeking an executive to fill this important position.

The successful person will be concerned, primarily, with financial evaluation and negotiation of acquisitions and divestments, though other aspects of corporate finance are included.

Applicants should, preferably, be aged about 30, be graduates and/or qualified accountants, have several years appropriate experience and proven negotiating ability. They should now be holding a senior position in industry or in the City.

Salary is negotiable around £15,000, with company car plus first class benefits and relocation assistance where appropriate.

Please write, giving comprehensive career details, salary progression and the names of any organisations to whom you do not wish your application to be forwarded, to:

T. G. West, (Ref 508)

Whites

Whites Recruitment Limited 72 Fleet Street, London EC4Y 1JS
Offices: Bristol, Glasgow, Leeds, London, Manchester and Wolverhampton.

SENIOR MARKETING APPOINTMENT

£10-£12,000

North West

A major UK company, part of a billion dollar international food group, requires an experienced marketer. There have been recent promotions and the new Sales and Marketing Director is strengthening his team.

Responsibilities include making a major contribution to the overall advertising planning and strategy as well as, the detailed implementation and control of the advertising programmes. The full product range multi-million pound budget is operated through three agencies for the UK and Ireland. The position covers administrative and budgetary control; detailed communication and liaison between the agencies, the marketing department and sales force; and also has responsibility for the consumer service function as well as, a variety of interesting ad hoc advertising and marketing projects.

Likely candidates in their late 20's will have a very good degree possibly in economics, business administration and/or marketing, ideally followed by a post graduate qualification in a numerate discipline. A blue-chip advertising/marketing background in food, or other fast moving consumer goods is required and experience of American companies and working with major full service advertising agencies would be especially relevant.

Additional languages and a willingness to relocate overseas is not essential but would enable the successful candidate to take advantage of the unusually good international promotion prospects.

Usual large company benefits, including full relocation costs, are offered.

Candidates, male or female, should send a detailed career history to the consultant advising on this position quoting reference number GEM/FT.

JWT Recruitment Ltd
Executive Recruitment & Selection
40 Berkeley Square London W1X 6AD 01-629 9496

European Planning Manager

Centronics are preparing for the eighties

We are the leading independent matrix printer manufacturer and have grown rapidly in Europe over the last four years. Our plans call for continued growth and success in the years ahead.

We now require an experienced Financial Planner with the ability to develop periodic forecasts and long range plans and to monitor actual performance against these.

An accounting background is considered necessary along with high analytical and communicating skills.

The European Planning Manager will be a member of a small team based at the company's European Headquarters in London.

Some travel will be necessary to visit our European subsidiaries as well as our factory in Southern Ireland.

Salary will be in the region of £11,500 plus a car.

Please reply to the European Director of Finance, Centronics Data Computer, Petersham House, Harrington Road, London SW7.

CENTRONICS PRINTERS
Simply Better

Investment Management

A major British industrial company requires an Assistant Investment Manager to participate in the management of rapidly growing pension fund assets currently around £250m.

The specific responsibilities are to manage the UK ordinary share portfolios; act as investment manager of a small fund within the group; and, assisted by an analyst, maintain a high level of detailed investment research.

The fund management team is small and highly motivated, with constant emphasis on improving investment techniques to remain well ahead of the market. Each member participates in decisions relating to all investment sectors, providing the opportunity for career development to senior investment management.

The basic requirements are substantial investment analysis experience and direct involvement in ordinary share portfolio management. A degree or professional qualification is desirable. Age not less than 28.

Salary c. £12,000 plus car. Location - London W1.

Please write (male/female candidates) in strict confidence with full personal and career details, quoting ref 932/FT, to:

Philip Smith

Manpower Consultants

85-87 Jermy Street, London SW1Y 6JD

CHIEF ACCOUNTANT

c. £10,500 p.a. + car

West Midlands

Tarmac Roadstone (Southern) Limited is a major company within the Quarry Products Division of the Tarmac Group, engaged in quarrying, road surfacing and ready mixed concrete activities throughout the Southern half of England and Wales.

The Chief Accountant is a new appointment reporting to the Administration Director, and responsible for the total accounting function including Financial and Management Accounts, Fixed Asset Records, Bought and Sales Ledgers and Cashiers Department. He/she will assist in the production of annual budgets and business plans and have a significant role in the continued development of integrated accounts. The Chief Accountant will lead a team of Accountants and some 50 administration staff, which demands considerable managerial skills. The ability to deal effectively with senior line management and external contacts is also essential.

Applicants must be professionally qualified, preferably Chartered Accountants, with at least 7 years' post qualification experience. It would be a considerable advantage to have up to date knowledge and experience of computer systems used in accounting, preferably with a large organisation. The appointment presents an excellent career opportunity within an international group and could lead to more senior positions within the function or into line management.

Salary offered is negotiable around £10,500 and a company car is provided, together with other excellent fringe benefits. The appointment is based in Wolverhampton but some travelling is involved. Assistance with relocation costs will be provided where appropriate.

Full and detailed C.V. in confidence to:-

R.D. Symons, Tarmac Roadstone Holdings Limited, Roadstone House, P.O. Box 44, 50 Waterloo Road, Wolverhampton WV1 4RU.



Tarmac ROADSTONE

Charterhouse Japhet

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A Senior F/X Dealer

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to further develop the existing markets and broaden the dealing base of the Bank. Charterhouse Japhet is already well established in Dollar/D. Mark Forward and this is an opportunity to build up a personal reputation in this field.

A C.D. Dealer

in

Sterling and Euro-Currencies

Preferred ages 25-32 with substantial experience. Competitive remuneration package will include mortgage subsidy down to 5%, non-contributory pension and free lunches.

Please write or telephone R. W. H. Lubbock, Personnel Director, Charterhouse Japhet Limited, 1 Paternoster Row, St. Pauls, London EC4M 7DH. Tel: 01-248 3999.

CHARTERHOUSE JAPHET LTD
A member of the Charterhouse Group

Investment Analyst

Montagu, Loeb, Stanley & Co., specialists in the Overseas Traders and Plantation Sectors, seek an investment analyst to strengthen their team in this field.

The successful candidate will be expected to prepare reports for institutional clients on the companies followed and communicate recommendations to our salesmen.

Applicants should ideally be in their twenties and have at least two years' experience of investment research. A competitive salary will be offered.

Please send replies in confidence to:-

Robert Carpenter,
Montagu, Loeb, Stanley & Co.,
31, Sun Street, London, EC2M 2DP,
or ring 01-377 9242.



SENIOR BUSINESS JOURNALISTS

Prominent international business information service seeks experienced staff writers to join its London editorial bureau for coverage of Western Europe and the Middle East. Successful candidates will have a close knowledge of current business and corporate affairs, the ability to write lucidly, and the confidence to counsel senior executives of multinational corporations.

Applications indicating experience, qualifications (including languages) and special areas of interest should be directed to:

G. Holmes, Editorial Director
BUSINESS INTERNATIONAL
Banda House, Cambridge Grove, London W6 0LN

Investment Management

Due to continued expansion of its investment business Kleinwort, Benson Limited seeks to recruit an additional member for its portfolio management team.

The successful candidate must be thoroughly experienced in the international bond market and capable of running bond portfolios which will be the prime function. Knowledge of economics, foreign equity markets and foreign exchange would be helpful.

It is likely that the successful candidate will have had a number of years experience with an international bank or a stockbroker and be in the age range of late twenties/early thirties.

The remuneration package offered will reflect the experience of the successful applicant and the level of the position offered.

Applicants should write in the first instance, enclosing a full curriculum vitae to:-

P. E. G. Barnes, Assistant Director, Personnel,
Kleinwort, Benson Limited,
20 Fenchurch Street, London EC3P 3DB.

KLEINWORT, BENSON
Merchant Bankers

Financial Director

North East £15,000 plus bonus and car

Our client, a progressive medium sized light engineering company engaged in the manufacture of safety equipment for the oil, petrochemical and coal mining industries, wishes to recruit a Financial Director.

The Financial Director will be responsible to the Chairman and Managing Director for administering and developing the financial and management accounting procedures, the computer facilities and systems, and also the preparation and interpretation of management control information.

Candidates, who must be Chartered Accountants aged between 32 and 38, should have commercial experience of modern management accounting techniques, data processing, the ability to operate effective financial and management information procedures and also be capable of making a positive contribution to the management of the business. Accounting experience in the engineering industry will be an advantage.

Salary negotiable around £15,000, additionally a bonus scheme is in operation and a company car is provided. Location Tyneside. A contribution will be made to re-location expenses where appropriate.

Interested candidates are invited to write for an application form to Dennis W. Tyson, Sun Alliance House, 35 Mosley Street, Newcastle upon Tyne, NE99 1PL, quoting Executive Selection Division reference MCS/128.

Price Waterhouse Associates

Financial/Operational Auditor

International Trading/Financial Group

City

c. £11,000

An experienced accountant is required for a group of trading and financial services companies based principally in Europe, but trading internationally. The assignment would be to review and improve financial and operational controls and management information systems, and would include monitoring a system of limits of authority for trading operations.

This is a new position, reporting to the Chief Executive and calling for a commercially orientated accountant with the ability to communicate with top management and produce positive and authoritative reports. Candidates should be aged over 30, with a minimum of 5 years' F.C. experience and familiarity with international trade.

The job would be London based, with occasional travel abroad.

Salary is negotiable according to experience and ability. Good prospects are inherent.

Please write or telephone to D. G. Musgeridge. (Ref: 6467)

This appointment is open to male or female candidates.



Mervyn Hughes Group

2/3 Cursitor Street, London EC4A 1NE
Management Recruitment Consultants

01-404 5801

HEAD OF LOANS ADMINISTRATION

As a result of continued expansion a position has arisen with a leading International Bank in the City for Head of Loans Administration Department, responsible for a complement of eight staff engaged in all administration aspects of commercial loans and guarantees.

Candidates must have at least five years' relevant experience with an International Bank and are likely to have held a supervisory position for a minimum of two years. A high degree of technical knowledge in this field, together with proven ability to manage and motivate staff are essential. The successful candidate, preferably with A.I.B., will receive an attractive salary together with excellent fringe benefits.

BANK OF ENGLAND RETURNS

A number of positions are currently open to candidates experienced in the completion of Bank of England returns.

Ages 20/30

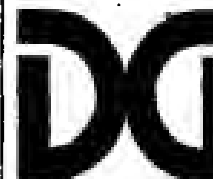
Salaries range from £4,500-£6,000

These positions are open to both male and female applicants

BSB Banking Appointments

115-117 Cannon Street, London EC4N 5AX. Telephone 01-623 7317 & 01-623 9161

Recruitment Consultants



David Grove Associates

Bank Executive Recruitment

60 Cheapside London EC2V 6AX

Telephone 01-236 0640

SENIOR LENDING BANKER

£15,000 neg.

Our client is an international merchant bank, expanding its United Kingdom operations.

The vacancy responsibilities will cover all aspects of the lending function with particular importance being attached to the development and management of a United Kingdom orientated portfolio of corporate loans. Experience in L.C.s and other forms of Trade-related Finance will be of added benefit. Suitable candidates will have had at least 20 years' banking experience of which no less than 10 years will have been spent in a lending role, covering a wide range of industrial and commercial activities. Preference will be given to candidates with current relevant experience in the City of London at senior level.

The remuneration package is attractive and is unlikely to be a critical factor. It would reflect the ability and potential of the successful candidate.

Managing Director

Engineering Fasteners
c.£13,000

Our client, one of the most significant growth companies of the last decade in the engineering industry which intends to maintain its profitable development in the 80's by vigorous decentralised management, is now seeking a Managing Director for one of its subsidiaries supplying fasteners to a wide range of industries.

The Managing Director will be totally responsible for the development of this business, currently turning over around £2m, and will be expected to determine and implement policies aimed at generating improved profit performance.

Candidates, male or female, preferably aged between 30-45 should have a Degree in Mechanical or Production engineering and have considerable experience of high volume batch production in the engineering industry, ideally with profit responsibility.

The salary package is negotiable, but will include a base salary and profit sharing scheme, designed to provide around £13,000 p.a., plus a Rover car, pension and life assurance schemes with relocation expenses, if appropriate, to a delightful rural location in Yorkshire.

Please write in confidence, initially with brief details, quoting reference 1002 to John Anderson, as Advisor to the company, at:-

John Anderson & Associates

Norfolk House, Smallbrook Queensway, Birmingham B5 4LJ

Merchant Bank Leasing

Hill Samuel Leasing Co. Limited, a wholly owned subsidiary of the Merchant Bank, is seeking the early appointment of a person to join a small team to handle the negotiation and evaluation of lease contracts.

The successful candidate is likely to be about 30, possessing a background of at least 2 years in commercial banking or leasing with a degree or professional qualification. The requirement for this new position is for a resourceful person capable of being fully involved in all aspects of leasing business and of making an all round contribution.

Salary will be negotiable depending on experience and qualification. Excellent company benefits include a non-contributory pension scheme with free life assurance and BUPA membership, mortgage assistance, staff and season ticket loans, subsidised luncheon and LVs.

Candidates should apply in writing with brief details to:-
P. G. S. Coulson, Senior Personnel Officer,
Hill Samuel & Co. Limited, 100 Wood Street,
London EC2P 2AJ.



Group Accounts Manager

Circa £9,000 per annum plus Car

We seek a senior accounting executive to complete the management team of our centralised accounting Head Office in Luton, Bedfordshire. His/her responsibilities include production of the published year end accounts, all management accounting information to the Board and trading executives, capital expenditure control and reporting, considerable involvement in the annual profit/capital planning cycle, and the management of 15 staff. Substantial developments are planned to sophisticate the reporting and information production methods.

The appointee, male or female, will report to the Head of Accounting in Luton and must be able to work to tight timing schedules, guide and manage qualified staff, and contribute skills of the highest professional standard. The benefits package of a large and progressive group will be discussed at the interview but these include a share participation scheme, staff discount, pension and free meals.

Please write to: The Personnel Controller (H.O.)
British Home Stores Limited
129/137 Marylebone Road,
London N.W.1 5QD.

BHS

BRITISH HOME STORES

A Career in Corporate Banking Commodity Finance

We are seeking an experienced Banker to head our London-based Commodity and Trade Finance Group.

The position primarily involves new business development, and also carries responsibility for co-ordinating the similar efforts of a small team of officers, together with related credit assessment and management reporting.

Ideally you will be familiar with the functions of the London commodity futures markets, and you must have a good working knowledge of the normal methods of trade finance including letters of credit and foreign exchange.

This is a senior post, and we are offering a wide-ranging benefits package and an appropriate salary. Career prospects are excellent and will not be confined to the speciality under consideration.

Applicants, male or female, should write in the first instance, giving full details of career and salary to date to: Terry Jones, Assistant Vice President, Chemical Bank, 180 Strand, London WC2R 1ET.

CHEMICAL BANK

Accountants for Consultancy

Our role is to assist management to improve efficiency and profitability, both in Britain and overseas, and we need more people for this work.

Consultants are based at London, Birmingham, Leeds, Manchester and Edinburgh.

We require:

- Professionally qualified accountants, preferably with a degree and aged between 27 and 35.
- First class experience gained at a senior level in well-managed organisations in the private or public sectors.
- The ability to motivate people and get things done.

Among our particular requirements are accountants with experience in banking, the water industry and other utilities.

We offer:

- Experience in a wide variety of industries and in the public sector.
- Opportunities to work with extremely able people, of varied disciplines, on projects ranging from feasibility studies for major capital projects to the development of models, accounting and reporting systems using timesharing services, mini and mainframe computers.
- High job satisfaction, excellent career development, a generous salary and benefits package (which includes a car) and also substantial additional allowances when working overseas.

Write in confidence, with brief but comprehensive details of career and remuneration, to J. B. Morris.

Management Consultants,
5th Floor, 1 Puddle Dock,
Blackfriars, London,
EC4V 3PD.
Peat, Marwick, Mitchell & Co.



Taxation Accountant

City £11,500

The Company:

A leading international shipping company now seeking to recruit a taxation accountant to fill a newly created position in their City Head Office.

The Job:

Reporting to the Group Treasurer, the man or woman appointed will be responsible for the Group's compliance work and taxation accounting and assist in corporate and personal tax planning.

The Applicant:

A qualified accountant with at least two years taxation experience with a professional firm or a large commercial concern.

The Benefits:

Salary as above; excellent career prospects; pension and life assurance schemes; season ticket loans; flexible working hours.

The Action:

Write with full details to Ref. MA254,
Robert Marshall Advertising Limited,
44 Wellington Street, London WC2E 7DJ.
Please list separately any companies in which you are not interested.

Robert Marshall Advertising Limited



MONEY MANAGEMENT/FX Hong Kong c.£15,000

Major Merchant Bank which continues to expand in the Far East seeks a money market/FX manager who will develop and implement policies for funding and liquidity management, for FX dealing activities and short-term paper issues. Salary negotiable around £15,000 plus free accommodation and other significant financial benefits.

Candidates will probably be in their early 30's. They must combine sound operational skills gained in an international institution handling a broad range of FX and money market transactions with the ability to identify and take advantage of market trends. (SW264)

Candidates male or female should write briefly and in confidence to the Managing Director, Executive Appointments Limited, 18 Grosvenor Street, London W.1, quoting reference. No identities divulged without permission.

The London & Westminster Sterling Brokers

We are eager to expand our interbank section and will be pleased to discuss generous terms with an ambitious team, alternatively individual experienced interbank brokers, wishing to benefit from the planned expansion programme of this established money broking company. We also have a position for an experienced senior local currency money broker. In each case only first class brokers with proven ability should apply. The terms envisaged are exceptional.

Write or telephone in complete confidence to:
Brian H. Fitch, 57-59 Scrutton Street, London, EC2,
01-735 5225 (private line).

Put your banking experience to good effect

Client Executive

with senior management potential

Invoice factoring is a highly effective way of providing capital and efficient cash flow for Britain's vital small and medium size businesses, both in the home and export markets.

Alex Lawrie Factors, part of the Lloyds & Scottish Group, is now one of the largest factors in the UK with a client turnover of over £180 million a year.

We have grown on the strength of a professional and highly personal service to customers. This sustained growth means we need a Client Executive whose responsibilities will include:-

- i safeguarding of our security in day-to-day client administration;
- ii counselling clients on the best use of services;
- iii supervising a team of staff who collect on client accounts.



Ideally we wish you to have an HNC in Business Studies or similar and have some experience in either merchant banking, leasing or financial management. Previous factoring experience would be useful but not essential, as full training will be given.

Most important is your enthusiasm and initiative in dealing with people at all levels of seniority.

Salary up to £6,000 p.a. plus company car and large company benefits. Present location is Banbury but the right person, male or female, could move within the UK. It is no empty promise to say the Client Executive we appoint now is very likely to be part of the senior management team in the future.

Please write for an application form to:
Mr. M. J. Parsnidge,
Personnel & Training Manager.

Alex Lawrie Factors Ltd.

P.O. Box 12, Banbury, Oxon OX16 7RN

Hoggett Bowers

Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

New Business Manager-Factoring

City, up to £8,500+car

Our client, one of the largest invoice factoring services in the U.K., is looking for a Regional Manager for their London operation. He or she will be responsible for following up enquiries, assessment of potential client companies, and the negotiation and completion of contracts. The ideal candidate will be aged between 28-32, finance/marketing orientated, and able to work without supervision. A comprehensive training will be given. The prospects and fringe benefits are excellent.

Mrs. I.M. Brown, Ref. 19182/FT. Male or female candidates should telephone in confidence for a Personal History Form to: LONDON: 01-734 6852, Sutherland House, 5/6 Argyl Street, W1E 6EZ.

European Controller

London based

£17,500 plus car

The quality of the computer software systems marketed worldwide, by this company is matched only by the service and the support they extend to their clients. The company is strong financially and has reached a level of profitability and growth within Europe that calls for the appointment of a Controller.

Responsibility will be to the Corporate Controller in Illinois. An early task will be to centralise the accounting of the subsidiary European companies where work is presently being done by local accountants.

The specification calls for a chartered accountant whose post qualification experience includes responsibility for the accounting activities of one or more European subsidiaries of an American parent company. Ideally this will have been exercised on the mainland of Europe and in a service industry.

Location: London W11. Salary: £17,500 plus car

Please write in confidence for an application form and a job description to David Prosser, Executive Selection Division, Southwark Towers, 32 London Bridge Street, London SE1 9SY quoting MCS/8807.

Price Waterhouse Associates

CORPORATE LENDING

THE FIRST NATIONAL BANK OF CHICAGO is seeking an additional business development executive for its Edinburgh Branch. He or she will be responsible for marketing the entire range of the Bank's services to existing and potential industrial, commercial and institutional clients in Scotland.

Ideal candidates will have a relevant degree, professional or post-graduate qualification and experience in the field of corporate lending. Experience meeting the international banking requirements of investment trusts and insurance companies would be an advantage.

Although this appointment will initially be in Edinburgh, candidates should expect that in the course of their long-term career development within the Bank, they may be relocated within the UK or abroad.

Salary negotiable with generous benefits including non-contributory pension plan and concessionary rate mortgage facility and car allowance. Written applications incorporating a curriculum vitae should be addressed to:

C. Anne Bathgate
Recruitment/Training Administrator
The First National Bank of Chicago
1 Royal Exchange Buildings
Cornhill
London EC3P 3DR

PERSONNEL RESOURCES in the 80's

FINANCIAL APPOINTMENTS SERVICE LONDON, LEICESTER, LEEDS

DIVISIONAL CONTROLLER City £12,000 Neg.

The company are leaders in the manufacture and worldwide marketing of high technology equipment and wish to make a senior appointment within the UK Marketing Division.

The role provides for active participation in profit improvement, the establishment of key management and financial control practices, and the rigorous appraisal of significant commercial contracts.

There is excellent potential for personal career advancement. Success will be achieved.

by resourceful management of an established department engaged in all commercial and financial administrative routines, and through the development of sound operating relationships with Divisional and Group Management. Application is invited from Qualified Accountants or Business Graduates aged 30+. Prior experience in control of finance services in a marketing environment will be considered an advantage.

Call Brian Gough, ACCA on 01-248 6321

Personnel Resources Limited 01 248 6321

Head Office: BELLS LANE HOUSE, OLD BAILEY, LONDON EC4A 3DF
Corporate Personnel Consultancy, London (Exclusively in Finance by Personnel Resources Limited)

HEAD OF SECTION—BANKING

Age 27-32 c. £9,000
The Merchant Banking arm of one of London's major American Banks seeks to appoint a senior and fully experienced Banker to the above position. The job involves the control of all aspects of internal and external reporting, the preparation of statutory accounts, and, in conjunction with the Financial Controller, dealing with the Bank's taxation and accounting policies.

The successful applicant will probably possess a professional qualification (Accountancy or Banking), and must have a proven track record in wholesale banking, including regulatory reporting and F/X Accounting. Experience within a computerised environment is a decided advantage. Prospects for further advancement are excellent, and a comprehensive range of fringe benefits is available.

Please telephone, in confidence, Mark Stevens

BANKING PERSONNEL
41/42, London Wall, London EC2 Telephone: 01-558 0781

(RECRUITMENT CONSULTANTS)

CITY COMPANY

involved as Principals in transactions for industry and commerce for substantial amounts requires an additional

Senior Assistant

Preferred age 28-35.

A minimum of 5 years' experience of Banking or Company Finance/Accounting/Analysis or possibly in the Corporate Sector of Law could be appropriate.

Qualities of drive/self-motivation linked to prudence and communication ability are essential.

The position will be of interest to candidates currently earning about £8,000 p.a. Excellent prospects for career development.

Full details to Box A.7006, Financial Times,
10, Cannon Street, EC4P 4BY.

Bank Economist

A City-based major international banking group has a vacancy for an economist, male or female, with at least two years' experience in commercial, financial or other relevant employment since graduation.

The post is in the Economic Department, which is concerned with a wide range of subjects including country risk assessment, currency and interest rate forecasts, commodity markets, the many developing countries in which the group operates and developments in the United Kingdom, the United States and elsewhere in OECD. Opportunities for specialisation will be given.

The appointment will interest a young economist possessing a good degree in economics or an associated discipline who is keen to join a lively, well-established team. There is an attractive basic salary and ancillary benefits are substantial. A working knowledge of a major European language would be useful.

Write, giving relevant personal data and career history to The Manager, (U.K. Manpower), Personnel Division, Standard Chartered Bank Limited, 10, Clements Lane, EC4N 7AB.

Standard Chartered
BANK LIMITED

£6,000 accountancy appointments £9,000

These advertisements appeared in the Financial Times on January 8, 1980

Job Title	Salary	Location	Advertiser
Young Management Accountant	£7,500	West End	Canada Dry International Inc.
Financial Controller	£9,000	—	Box No. G.5079
Accounts Management	£5,7,000 + Car	South Woodford	Jose Bataller & Co. Ltd.
Two Accountants	£7,500 + Co. Car	Potters Bar Herts.	Highland Leasing Ltd.

For the full text of the advertisements please see the Financial Times of that date or telephone Sally Stanley on 01-248 5597

ASSISTANT COMPANY SECRETARY

c. £8,000 and Usual Fringe Benefits

An experienced administrator is required to assist the Company Secretary of a quoted Group in General Secretarial matters including the maintenance of a self-administered pension scheme.

The position is situated in Westminster at the group Head Office and would suit someone with good experience of Company Secretarial duties in a group environment.

Applications with full details to Box A.7011, Financial Times, 10 Cannon Street, EC4P 4BY.

ASSISTANT CONTROLLER Leasing

This is an excellent opportunity if you are between 28-35 and are a qualified Chartered Accountant or have an equivalent qualification.

Working for our financial department in Europe, you'll report directly to the financial controller for Europe based in Isleworth.

It's a responsible and important position as you'll be co-ordinating and organising all of the financial aspects of our leasing ventures in Europe for cars and trucks. You'll have ample chance to travel — spending 20 per cent of your time abroad.

We're a dynamic service industry so you'll need previous experience in a similar environment with ideally a background in leasing, and it would be to your advantage to have a knowledge of French or German.

In return for your skills you'll receive a salary commensurate with the required experience plus the use of a car.

If you have the relevant qualifications, please contact Mrs. R. Heles, Hertz Europe Limited, Isleworth House, Greet West Road, Isleworth, Middlesex.

Hertz

© THE No1 COMPANY

Financial Controller (Designate)

West London

c. £8,500 plus car

A vacancy has arisen in a recently established Publishing Company for an Accountant able to fulfil a Senior Management role and capable of assuming full responsibilities as Financial Controller within the year. Initiative and an ability to communicate are essential as the appointment will involve reporting direct to the General Manager and to the Board.

The successful candidate, who should be qualified (ACA, ACCA, AICPA), will have responsibility for all financial accounting and general administrative functions including statutory accounts, budgeting, treasury functions and forecasting—as required by the Board. Post qualification experience outside the profession is essential and knowledge of publishing or printing would be an advantage as would experience of computers. It is unlikely that the successful candidate will be less than 30. Salary is negotiable, depending on experience, or around £8,500 plus company car.

Applications in confidence should be made, with detailed curriculum vitae, to: Charles Brett, Empire House, 416 Chiswick High Road, London, W4 6TF.

APPOINTMENTS WANTED**RECENTLY RETIRED SENIOR EXECUTIVE**

with over 25 years' experience in the Transport, Warehousing and Forwarding industry would welcome opportunities to apply his knowledge and experience to a new challenge in a senior capacity. Please contact: Mr. J. H. Smith, 10, Cannon Street, EC4P 4BY.

DIRECTOR AVAILABLE

Director and Chief Executive (40+) with impressive record in manufacturing and marketing products and services in UK and overseas is immediately available to take up a challenging appointment. Please reply in strict confidence to: Box A.7019, Financial Times, 10 Cannon Street, EC4P 4BY.

CONTRACTS AND TENDERS**Yemen Arab Republic Yemen General Electricity Corporation 132KV Transmission Project**

It is the intention of the Yemen General Electricity Corporation to call for tenders for 132/33KV substations contract YEM 053 for the Yemen Arab Republic.

Firms are invited to register by the 25th January, 1980 their intention to apply for the tender documents which will be available by mid February 1980. Only registered firms with comprehensive experience who can provide proof of having successfully completed the design and installation of EHV substations, preferably in the Middle East, of comparable value may obtain the tender documents which will be available from the offices of the corporation in Sana'a, Yemen Arab Republic or from their consulting engineers Messrs. Kennedy & Donkin, Premier House, Woking, Surrey, England. Firms are not required to provide evidence of experience at the time of registration.

A non-refundable fee of 1500 YR or £150 sterling will be charged for each set of documents issued.

The scope of work will comprise: A five circuit 132/33KV double busbar substation including two 45MVA transformers for TAIZ and a single circuit 132/33KV 15MVA transformer substation for 4BB.

Tenderers will be requested to submit proposals with their tender for financing the project. Firms wishing to register should apply in writing to the chairman, Yemen General Electricity Corporation, P.O. Box 178, Sana'a, Yemen Arab Republic, sending a copy of this letter to the engineer, Messrs. Kennedy & Donkin, Premier House, Woking, Surrey, GU21 1DG.

KENNEDY & DONKIN

Consulting Engineers

DEPUTY COMPTROLLER VIENNA, AUSTRIA

United Nations Agency operating in the Middle East and having an annual budget of approximately US\$ 150,000,000 expended on relief, health and education services for Palestinian refugees seeks a Deputy Comptroller (male or female) for its Department of Finance and Administration based in Vienna, Austria. The successful candidate for this senior post must:

- have a university degree (preferably with major to accounting or business administration);
- be a member of a recognised accountancy body;
- have at least 10 years' experience in finance and administration reflecting good progression in level and scope of responsibility to positions at a senior level with several years of experience at this level;
- have an excellent command of written and spoken English.

It would be advantageous to possess a master's degree in accounting or business administration, experience in supervision of electronic data processing and/or supply and transport operations and to have a working knowledge of French, German or Arabic.

For application form and full details, including salary and allowances of approximately US\$ 60,000 (net of tax), send a brief letter or card to—

Director of Personnel (EVN/11/79)
UNRWA HQ (VIENNA)
Vienna International Centre
P.O. Box 700
A-1406 Vienna
AUSTRIA

**PORTFOLIO MANAGEMENT Hong Kong c. £15,000**

Established and expanding Investment Management subsidiary of major Far East Merchant Bank has funds under management in excess of £300m and a broad range of private, institutional and government clients. It seeks an Investment Manager to take control initially of a number of major private client portfolios and to monitor and advise on specific geographic markets.

Candidates will be in their late 20's or early 30's and will have a successful track record in portfolio management which must include investment outside the UK. They should be cheerful, flexible and enjoy team work. Salary negotiable around £15,000 plus free accommodation and other significant financial benefits. (SW/993)

Candidates male or female should write briefly and in confidence to the Managing Director, Executive Appointments Limited, 19 Grosvenor Street, London W1, quoting reference. No identities divulged without permission.

Assistant to the Chief ACCOUNTANT

c. 7,500 p.a.

Croydon

to examine and improve our accounting systems at Head Office of major international company. If you are young, qualified or at least a finalist of ACA or ACCA, please dial to hear more

01-493-8711

just listen, you do not need to speak.

SCOTT GOFF HANCOCK

A newly formed international share and currency dealing department is seeking

Dealers and Settlement Staff

Any person with relevant experience should write or telephone:

Mr. C. H. James
SCOTT GOFF HANCOCK AND CO.
Salisbury House, London Wall, EC2. 01-628 4433

Schlesingers

Specialists in the management of private, institutional and pension funds.

Investment Management

A challenging opportunity has arisen for a young, ambitious, energetic person to join a highly successful and expanding investment management group. Working closely with the Investment Directors, as part of a small team, this position offers outstanding career prospects within the Company, and advancement will be as rapid as personal initiative dictates.

Funds under management exceed £150m and include Schlesinger PIMS unit trusts, the Trident range of Insurance Funds, Private Client and Pension Funds.

Candidates will have a minimum of 2 years relevant investment experience gained in an insurance company, merchant bank, stockbrokers or similar institution. A degree or professional qualification would be desirable.

A generous salary is offered with first class working conditions in West End offices.

Applications, which will be treated in the strictest confidence, must include a detailed CV, including salary details, and should be addressed in the first instance to

Ian P. Forsyth, Director,
Schlesinger Investment Management Services Ltd.,
Southside, 105 Victoria Street, London SW1E 6QS.

Dealer back-up (Forex and Euro)

Stratford E15.

Morgan Guaranty, a major American international bank, is seeking to enlarge its treasury operations by recruiting experienced bank staff to its newly formed dealer back-up operation specialising in foreign exchange and Eurocurrencies.

Located in modern, purpose-built offices adjacent to the Stratford underground and B.R. stations and only ten minutes from the City, this busy department processes deposits, redemptions and dealers' instructions and monitors and controls the movement of funds in excess of a billion U.S. dollars a day.

Banking experience is essential, while a knowledge of deposits and foreign exchange operations would be helpful.

In addition to an attractive salary there are excellent fringe benefits which include low interest mortgage facilities, interest free season ticket loan, subsidised restaurant and non-contributory pension and medical insurance plans.

Write or telephone for an application form to: Mrs. S. Hoppe, Morgan Guaranty Trust Company of New York, P.O. Box 161, 33 Lombard Street, London EC3P 3BH. Telephone: 01-555 3111 ext. 2743.

Morgan Guaranty Trust Company of New York**SPECIAL ANNOUNCEMENT**

As a result of the continuing growth of our business and the consequent strengthening of our consultancy team we are pleased to announce that we have moved to new premises.

Our new offices are considerably more spacious, better equipped and located more centrally to the City within easy reach of Bank, Cannon Street and Mansion House Stations.

We will be endeavouring in 1980 to provide an even better service for Bankers and Accountants seeking a career move.

HUDSON SHIRMAN INTERNATIONAL LTD.
COLLEGE HILL CHAMBERS
23 COLLEGE HILL
LONDON EC4
Tel: 01-248 7851

FACTORING

A new company is being formed by a substantial London based old established finance group to enter the UK Recourse Factoring market. An opportunity therefore has arisen for an ambitious, intelligent, 25/35 year old to spearhead the new business side of this venture. Comprehensive knowledge of all aspects of factoring, however, is essential.

Up to £10,000 with car plus usual big company benefits.

Write in strictest confidence with curriculum vitae to Box A.7007, Financial Times, 10, Cannon Street, EC4P 4BY.

COMPANY NOTICES**HIYACHI LTD.**

ORDINARY SHARES 5000
ISSUED BY HIYACHI LTD. N.A.
NOTICE IS HEREBY GIVEN that a dividend of 11% on the ordinary shares of HiYachi Ltd. for the year ended 31 December 1979 will be paid on 15 January 1980 to holders of the shares as at 30 September 1979. The dividend will be paid in cash by cheque or by transfer to the account of the shareholder named in the register of shareholders. The dividend will be paid to the holder of the share certificate or to the person named in the register of shareholders as the person entitled to receive the dividend. The dividend will be paid to the holder of the share certificate or to the person named in the register of shareholders as the person entitled to receive the dividend. The dividend will be paid to the holder of the share certificate or to the person named in the register of shareholders as the person entitled to receive the dividend.

MITSUBI AND CO. LTD.

ORDINARY SHARES 5000
ISSUED BY MITSUBI AND CO. LTD. N.A.
NOTICE IS HEREBY GIVEN that a dividend of 11% on the ordinary shares of Mitsubi and Co. Ltd. for the year ended 31 December 1979 will be paid on 15 January 1980 to holders of the shares as at 30 September 1979. The dividend will be paid in cash by cheque or by transfer to the account of the shareholder named in the register of shareholders. The dividend will be paid to the holder of the share certificate or to the person named in the register of shareholders as the person entitled to receive the dividend. The dividend will be paid to the holder of the share certificate or to the person named in the register of shareholders as the person entitled to receive the dividend. The dividend will be paid to the holder of the share certificate or to the person named in the register of shareholders as the person entitled to receive the dividend.

PUBLIC NOTICES**DONCASTER**

METROPOLITAN BOROUGH COUNCIL
£4,500,000 Bills issued 9th January 1980 at 15% to mature 9th April 1980. Applications £15,000,000. Outstanding £4,500,000.

ST. HELENS BOROUGH COUNCIL
£2,500,000 Bills issued 9th January 1980 at 15% to mature 9th April 1980. Applications £15,000,000. Outstanding £2,500,000.

GLoucester City Council
£2,500,000 Bills issued 9th January 1980 at 15% to mature 9th April 1980. Applications £15,000,000. Outstanding £2,500,000.

STOCK CORPORATION BILLS
£50,000,000 Bills issued 9th January 1980 at 15% to mature 9th April 1980. Applications £15,000,000. Outstanding £50,000,000.

CLEVELAND CORPORATION BILLS
£17,000,000 Bills issued 9th January 1980 at 15% to mature 9th April 1980. Applications £15,000,000. Outstanding £17,000,000.

KNOWLESLEY CORPORATION BILLS
£1,000,000 Bills issued 9th January 1980 at 15% to mature 9th April 1980. Applications £15,000,000. Outstanding £1,000,000.

TRAVEL
GENEVA, Basle, Zurich and Bern, widest range of cheap flights from 4 U.K. ports. Brochure FALCON 01-351 8191.

PERSONAL
FOR HIRE new Rolls-Royce with chauffeur, special rates, regular and long term. Ring STD 02514 20268.

OFFICES
GROSVENOR OFFICE SUITES
Luxury office facilities available in Grosvenor Sq., 10 offices individually let with one, two, three, four, five, six, seven, eight, nine, ten, eleven, twelve, thirteen, fourteen, fifteen, sixteen, seventeen, eighteen, nineteen, twenty, twenty-one, twenty-two, twenty-three, twenty-four, twenty-five, twenty-six, twenty-seven, twenty-eight, twenty-nine, thirty, thirty-one, thirty-two, thirty-three, thirty-four, thirty-five, thirty-six, thirty-seven, thirty-eight, thirty-nine, forty, forty-one, forty-two, forty-three, forty-four, forty-five, forty-six, forty-seven, forty-eight, forty-nine, fifty, fifty-one, fifty-two, fifty-three, fifty-four, fifty-five, fifty-six, fifty-seven, fifty-eight, fifty-nine, sixty, sixty-one, sixty-two, sixty-three, sixty-four, sixty-five, sixty-six, sixty-seven, sixty-eight, sixty-nine, seventy, seventy-one, seventy-two, seventy-three, seventy-four, seventy-five, seventy-six, seventy-seven, seventy-eight, seventy-nine, eighty, eighty-one, eighty-two, 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Falling for the going rate

BY JOHN ELLIOTT

ONE OF THE more alarming aspects of the current wage round is the way that many employers, especially in the private sector, appear to have decided to award pay rises broadly in line with the retail price index of around 17 per cent without any great assessment of the economic and industrial consequences of their actions.

In many cases they seem to have been overwhelmed by the magic notion of a "going rate" which has built up in the past decade or so when consecutive incomes policies have concentrated people's minds on a particular figure.

Union wrath

So accustomed have employers become to being told what to pay that this year many of them seem in desperation to have cast around for some yardstick which will save them choosing a figure for themselves. The RPI level has thus emerged as the "going rate" and has been paid out by many companies which have not wanted to risk trade union wrath.

Now the CBI, encouraged by the Government, is issuing regular Press releases proclaiming that "it is misleading to speak of a single going rate." The CBI says that all sorts of rises from 5 to over 20 per cent are being paid in company settlements, but has to admit that the main concentration is between 12 and 16 per cent.

These figures help to prove that it is perfectly possible for employers to negotiate rises peacefully, at only two-thirds of the RPI level if they bother to argue their case with their trade unions and employees. A company's trading position and its ability to finance pay rises then becomes a more important criteria than what its economists or industrial relations experts believe to be the safest figure to aim for.

Buyers of industrial raw materials will also, of course, be criterion as will the need to recruit and retain labour. Sometimes a company will consequently offer a high figure. In other cases a lower, more commercially realistic figure, will be tried and achieved. But whatever the figure, it will be related to what the company believes to be in

its own best interest, rather than being merely cuffed from some national statistics.

Of course the real underlying problem is that both the Government and the CBI are so hooked on their abhorrence of pay norms that they cannot start a useful debate about what the country can afford. The CBI would like the Government to set up a special national economic forum.

But many CBI leaders - together with Cabinet Ministers such as Sir Keith Joseph - distrust the economic forum idea because they know that it would almost certainly become the back-door entry point to some sort of formal pay policy.

If one takes abhorrence of pay policies to the extent of not being prepared to mention any sort of pay norms, it is very difficult to give a lead about what can be afforded. So there have not this winter been the usual Ministerial speeches about what should be paid, and the Tax and Price Index, which was launched with a fanfare by the Government last August, is largely ignored. It stands about two points lower than the RPI and could be used to try to induce a lower going rate if only Ministers were prepared to talk figures.

Own decisions

Indeed the Government is so shy of figures and of direct involvement in industrial affairs that it has run into trouble with the nationalised industries. First it tied itself into a political knot in the autumn over the impact of the retail price index on the industries' cash limits. Then its determination not to be seen to be directly associated with any wage negotiations has prevented it using its influence openly in trying to avert the steel strike.

It is therefore up to companies in the private sector to make their own decisions and to relearn the art of wage negotiation. The notion that the going rate is 17 per cent or so will vanish only when companies around the country look to their own commercial position and negotiate according to what they find, rather than telling their researchers to discover the current level of a national norm.

THE FREEZING of Iranian assets in the United States and the fears that Iran will default on loans led to a relatively small number of court cases in the UK, France and Germany. By contrast, more than 100 actions have been brought in U.S. courts including 67 in the Southern District Court of New York, where most Iranian assets are located. Other cases are pending in San Francisco, Los Angeles, Dallas, Houston, Milwaukee, Chicago, Boston, Newark and Washington.

In most of these actions, banks and companies are trying to obtain some security for the claims they have against Iran. In almost every case the litigation is only in its initial stages, but even so a number of legal issues, both substantive and procedural, have been revealed. Some of these may be of interest to those envisaging the possibility of similar proceedings either in the U.S. or elsewhere.

One of the first questions to be answered by the thousand or so American lawyers sitting up late every night over their colleagues' Iranian briefs, is who represents Iran and on what can the proceeds of judgments be served. For the past 20 years the Shah's Government employed in the U.S. the law office of Marshall Leon Weill and Mahoney.

This relationship was terminated by Ayatollah Khomeini

who had them replaced by a small Washington law firm of Abourezk, Shack and Mendenhall. It consists of six partners and their attraction for the new regime is probably that Mr. Abourezk, who is of Lebanese origin, is a member of the Senate and whose pro-Arab sympathies are well known. On the other hand, Iranian organisations are bound to experience some difficulties while the small law firm is getting organised to cope with the sudden expansion of business. It finds it difficult to acquire the co-operation of well-established business law firms since most of these are retained by banks or large corporations suing Iran.

To make matters worse the new legal representatives of Iran are reluctant to accept delivery of court papers and insist that a proper service can be made only through the State Department. As Iranian consulates in the embassy are also refusing service, a practical solution is difficult to find.

Service of documents represents a problem also for the new legal representatives of Iran trying to recover for the Islamic Republic no less than U.S.\$56m from the Shah. With the help of New York lawyers, O'Dwyer and Bernstein, they have served court papers on a great number of people ranging from hospital trustees to the Secretary of State, Cyrus Vance, in an effort to reach the Shah while he was in New York. Whether the courts will accept that the

papers reached him in this way remains uncertain.

The next important problem is the extent of sovereign immunity. This is provided under the Foreign Sovereign Immunities Act of 1976 and the question is, how far was it waived by the Economic and Consular Treaty concluded between Iran and the U.S.

Article 11/4 of the treaty lifts immunity from "taxation, suits for execution of judgment or other liabilities," but Judge Kevin T. Duffy, who will be hearing many of the Iranian cases, takes a rather restrictive view of this waiver. In his opinion there is

third view adopted by a Texas Court is that the immunity depends on the nature of the Iranian enterprise which is being sued.

One of the reasons why the American banks are so keen on obtaining security for the loans extended to Iran is that these loans are open to a constitutional objection. The constitution of Iran provides that no domestic or foreign loan may be taken by the Government unless approved by the Lower House of Parliament. But during the past decade no loan was subjected to parliamentary review and consequently no approvals

BUSINESS AND THE COURTS

BY A. H. HERMANN, Legal Correspondent

a distinction between pre-judgment and post-judgment attachments. An explicit waiver would be required for pre-judgment attachments as these are potentially more harassing. In the judge's opinion the treaty does not contain such an explicit waiver. He accepted that an implied waiver of immunity would be sufficient for a post-judgment attachment, but none of the Iranian cases have yet reached that stage.

By contrast, another judge, Robert W. Porter, held that Iran has no immunity from pre-judgment attachment in essentially commercial matters. A

which succeeded in obtaining court awards against Iran or its agencies. Such judgements would have, therefore, merely a declaratory character and would not give the successful claimant control over blocked assets. Moreover the regulation does not allow banks to offset their claims out of loans and credits, for example, against blocked Iranian funds held by the banks in the U.S. An amendment to the regulation has, however, authorised branches and subsidiaries which U.S. banks and companies have in foreign countries to set off their claims against Iran by debiting any blocked accounts they hold.

The limitation of the freeze to dollar funds to the exclusion of assets in other currencies, as well as the impossibility of domestic offset in the U.S. where most of the funds are located, obliges American banks to seek the attachment of Iranian equity holdings and other assets, for example pictures and sculptures on exhibition in the United States.

Exporters and service companies who do money by Iran or Iranian corporations, or with the claims out of abandoned contracts, are in an even worse situation. In addition to the legal difficulties in obtaining security for their claims, they are haunted by the fear that energetic action on their part may reduce their prospects of resuming business with Iran when the dust has settled and political relations return to normal.

The regulations prevent the acquisition of a lien in the blocked amounts by parties

Diamond Edge is favoured

THERE IS rarely a large field for the John Bull Chase at Winton, and today only four take on Diamond Edge, who has excited considerable Cheltenham Gold Cup interest in the past 48 hours.

Diamond Edge, whose rivals include Chumson and Narbinni, has not raced since put-

should prove another winning favourite of this race. If so, he will justify the confidence of those favouring him at Cheltenham on ante-post odds.

There is another meeting today at Southwell. Here I shall not be surprised to see the veteran Nicholas Nickleby II win the Market-Dale Chase.

Nicholas Nickleby II beat Perial Frize in a 3m event at Fowkes in early October. Since then he has met with mixed fortunes.

Last time out at Foulkestone on November 15, Nicholas Nickleby II never looked hopeful. However, that was his fifth race within a short period. An eight-week break will see him returning fit and ready.

The lightly-weighted Barrow Chief looks the chief danger to Nicholas Nickleby II. This erratic performer won at Wol-

verhampton on December 27, beating Leann Lad by 15 lengths. If in the right mood, Barrow Chief will probably make short work of this field.

However, I feel it could be safer to side with the more reliable Nicholas Nickleby II.

The safest bet at Southwell strikes me as Barrow. He appeals far more than Davidoff in the opening event.

WINTON

1.00-Sergeant Pepper**
1.30-Alco
2.00-Royal Charlie
2.30-Diamond Edge*
3.00-Yorric Horatio
3.30-Search

SOUTHWELL

1.45-Nicholas Nickleby II
2.15-Antique Dealer
3.15-Smiling Cavalier

RACING

BY DOMINIC WIGAN

ting up a gritty performance in the Whitbread Gold Cup, where he beat Master Smudge. In the process, Diamond Edge gave trainer Fulke Walwyn his fifth win in the Sandown race.

If Diamond Edge is ready to do himself full justice be-

5.20 Crossroads. 5.00 Report West. 7.00 Sportsday.

Service Cymru/Wales: As HTV General Service. 1.20 pm Pennewydd Newydd y Dydd. 1.25-1.30 Report Wales. 1.35-1.40 News. 1.45-1.50 Cartoons. 1.55-2.00 Sports Ann. 2.05-2.10 News.

SCOTCH 3.30 am Off the Beat Track. 9.45 The Shetland Islands. 10.30 Cry of the Wild. 11.15 The Shetland Islands. 11.45 News and weather. 4.15 Little House on the Prairie. 4.30 Crossroads. 5.00 News. 5.20 Report. 11.20 Late Call. 11.25 The Secret Policeman's Ball.

SOUTHERN 9.30 am Call It Macaroni. 9.55 Kum Kum. 10.30 The Bull. 10.45 Solo. 11.00 The Bull. 11.15 The Bull. 11.30 The Bull. 11.45 The Bull. 12.00 Southern News. 2.45 House. 3.15 The Bull. 3.45 The Bull. 4.15 The Bull. 4.45 The Bull. 5.15 The Bull. 5.45 The Bull. 6.15 The Bull. 6.45 The Bull. 7.15 The Bull. 7.45 The Bull. 8.15 The Bull. 8.45 The Bull. 9.15 The Bull. 9.45 The Bull. 10.15 The Bull. 10.45 The Bull. 11.15 The Bull. 11.45 The Bull. 12.15 The Bull. 12.45 The Bull. 1.15 The Bull. 1.45 The Bull. 2.15 The Bull. 2.45 The Bull. 3.15 The Bull. 3.45 The Bull. 4.15 The Bull. 4.45 The Bull. 5.15 The Bull. 5.45 The Bull. 6.15 The Bull. 6.45 The Bull. 7.15 The Bull. 7.45 The Bull. 8.15 The Bull. 8.45 The Bull. 9.15 The Bull. 9.45 The Bull. 10.15 The Bull. 10.45 The Bull. 11.15 The Bull. 11.45 The Bull. 12.15 The Bull. 12.45 The Bull. 1.15 The Bull. 1.45 The Bull. 2.15 The Bull. 2.45 The Bull. 3.15 The Bull. 3.45 The Bull. 4.15 The Bull. 4.45 The Bull. 5.15 The Bull. 5.45 The Bull. 6.15 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THE ARTS

Record Review

Shostakovich, Taneyev, Chaikovsky

by ANDREW CLEMENTS

Shostakovich: Lady Macbeth of the Mtsensk District, Gidon Kremer, violin, London Philharmonic, Rostropovich, Tchaikovsky, 1977 (3 records) £15.95

Shostakovich: Symphony No. 4, London Philharmonic, Haitink, Decca SXL 8827, £5.25 (also available on cassette)

Taneyev: The Oresteia, Belorussian State Opera, Kolomozhnikov, Deutsche Grammophon, 2708 097 (3 records), £15.17

Chaikovsky: The Six Symphonies, Berlin Philharmonic, Von Karajan, Deutsche Grammophon, 2740 218 (6 records), £22.50 (also available on cassette)

It would make for a satisfying completeness to be able to report that *Lady Macbeth of the Mtsensk District* is presented in this first recording as the flawless masterpiece of Shostakovich's admirers would have it be, the restored entity of which the revisionist *Katerina Ismailova* has previously represented only a shadow. Such a wholehearted declaration must be withheld, but the performance at least is a triumph. Rostropovich's direction and Galina Vishnevskaya's assumption of the role of the tragic heroine *Katerina Ismailova* are both landmarks in their respective contributions to the gramophone; indeed, it is difficult to think of Miss Vishnevskaya giving a more satisfying interpretation elsewhere on record. The remainder of the cast, with the partial exception of a rather detached Nicolai Gedda as the elemental *Sergey*, were evidently swept along by the conductor's enormous enthusiasm. Shostakovich asked Rostropovich to conduct *Lady Macbeth*, and so the performance comes with at least a posthumous imprimatur.

Piccola Scala, Milan

Albert Herring by MAX LOPPERT

On the face of it, *Albert Herring* is the most parochial of all Britten's operas, the least likely to survive the sea-change of performance in another language, by singers and conductors, probably unfamiliar with English Opera Group style and traditions. The new production, first seen last month, at the Piccola Scala, by Virgilio Puecher, conducted by Piero Bellugi, was the first in Italy; it was sung in the new Italian translation of Aldo Cazzullo and Vittorio Patané. I went along to the second performance with certain firmly fixed expectations, not to say forebodings — and found most of them loosed by an enjoyable and spirited performance.

Reasonably enough, in view of the difficulty of teaching most Mediterranean performers to ape turn-of-the-century English manners successfully, Loford became, in the visual settings and in the behaviour of its inhabitants, an Italian *piccolo*

poese. Strings of garlic were seen in the Herring greengrocer's shop; Mr. Upfold was a *podestà* with waxed moustaches, and Supt. Budd a *carabiniere* with a cigarette holder; Florence was played as a curvaceous scatter-brain nursing a hidden powder compact; there was much hand-kissing on all sides. These and other adaptations were not outrageous, though to the visitor from Britain they meant a series of "slight" tensions between words, actions and music — proud Handelian flourishes hardly described — the rather frail, headache-suffering *Lady Billows* played by Gianna Amato.

What was wrong was the excessively elaborate tone of farce too often adopted, notably in the third act, which took the work rather too close to the wrong kind of Rossini comedy production, without finding in the music the proper justification. A lack of precise aim on the part of the producer was

implied in such things as Sid's swigging from a hip flask in full view of the May Day company, or the general failure, even of Miss Wordsworth herself, to pronounce the schoolmistress's name — or, indeed, most of the names — correctly.

But then, for many people *Albert Herring* poses in any case an inherent problem, that of the disconcerting gap that stretches between the Ealing comedy surface, all spiky, joky brilliance and stereotyped characterisation, and the twilight atmosphere, cryptically redolent of nocturnal sensuality and dark secret beauty, of the music surrounding Albert's central monologue. What was enjoyable was the way the music seemed to fill out to support voices of Italianate production. I had experienced the effect once before, in a performance of *The Turn of the Screw* (or *Il giro di vite*, as it becomes) at Venice.

Here again, the effect was to

demonstrate how much broad Verdi lyricism, "cured" by Purcell's example and by Britten's own peculiar genius for finding musical shapes for the English language, flows along the vocal lines. If Mr. Gedda was permitted to make a very melting moment out of "Is Albert virtuous?" ("In Albert's life is virtue?") reducing the parody and sweetening the sentiment, the sound was very beautiful all the same. This was the most mellifluous *Albert Herring* I have yet encountered; voice for voice, the cast may not have proclaimed any marked superiority over recent British performances, but the way of moving and combining the voices invited a new, disarming, and not inappropriate kind of pleasure in the work.

Among the performers, of whom only one, Federico Davia (Budd), will be in any way a familiar name to most British readers, there was no weak link. The title role was taken by Edoardo Gimeñez, a Rossini tenor of small stature and a quick comic personality to remove any excess of the self-pitying pathos lavished on the role by some of its English interpreters. In fact, there was hardly any pathos at all, which was a fault on the other side; but Mr. Gimeñez' singing, with its clear line and fine, smoky tone, projected the music with admirable grace. Another player deserves singling out: as Sid the baritone Arturo Testa, whose elegantly smooth way with gesture, word, and the unfolding of a phrase — the duet with Nancy became a ravishing little *stornello* — put one in mind of a young Bruschini. The voice, not large, and not inherently remarkable, is used with a special skill; this is a name of which Glyndebourne could take note.

London Theatre Critics' Awards

Warren Mitchell has been named Best Actor in the Plays and Players London Theatre Critics' Awards for his portrayal of Willie Loman in the National Theatre production of *Miller's Death of a Salesman*.

Jane Laporte claims the best actress award for her interpretation of *Piaf* in the RSC production.

The best new musical is *Chicago* and the best new play *Amadeus* by Peter Shaffer. The new category of best new comedy produced a tie between *Jobing Apart* and *A Day in Hollywood*, *A Night in the Ukraine*.

Best actor and actress in a supporting role are Carmen du Sautoy and Richard Griffiths both in *Once in a Lifetime*. Most promising actor and actress are Alfred Molina in *Accidental Death of an Anarchist* and Lynsey Baxter in *The Lady from the Sea*.

Most promising new playwright is Victoria Wood (*Talent*); best production director Trevor Nunn (*Once in a Lifetime*); best production designer William Dudley (*Undiscovered Country*).



'To Hear the Sea-Maid's Music,' by Arthur Rackham, 1908, illustration to 'A Midsummer Night's Dream'

Bristol City Art Gallery

Arthur Rackham

by BRIONY LLEWELLYN

Arthur Rackham's sinuous illustrations to children's books have long been popular, but since his death in 1939 no exhibition in this country has made a serious examination of his work. To rectify this shortcoming the Bristol City Art Gallery has organised an exhibition of his illustrations, drawings and water colours, showing it first at the Graves, at the Bristol City Art Gallery, from Saturday until February 10, and during March and April at the Victoria and Albert Museum, London.

Rackham began his career as an illustrator of magazines such as *Scraps* and *Pall Mall Budget*. Gradually, encouraged by his wife and influenced by the intricacies of Gothic art, he developed a style whose mingling of grace and the grotesque was acclaimed by a wider audience. His fame rests on the gnomes, fairies, witches and gnarled anthropomorphic trees which people his illustrations to *Rip Van Winkle*, *A Midsummer Night's Dream*, *Peter Pan* in Kensington Gardens, *The Sleeping Beauty*, and the many other tales which he published

between 1905 and 1920. A more intimate side to his art is seen in the landscapes painted around his home and elsewhere, in his hucolic figure and flower compositions, and in the illustrations which he was at last able to do towards the end of his life for *The Wind in the Willows*. A small but useful catalogue by James Hamilton accompanies the exhibition.

Dance Umbrella '80

at Riverside

Riverside Studios, W6, will be the main venue in Britain's largest international festival of contemporary dance, *Dance Umbrella '80*, which will take place in venues throughout the country from January 21-March 22.

In five weeks of events at Riverside, leading soloists and companies from Britain will perform alongside those from the U.S., Canada and Holland. The programme will feature the widest range of events for dance enthusiasts including performances, workshops, master classes, seminars and films.

Purcell Room

PLG Young Artists

by DOMINIC GILL

The second concert of the PLG's series on Tuesday presented two remarkable young musicians already embarked on the start of successful careers. The cellist Steven Isserlis (b. 1958) will be known by now to some Alderburgh Festival and Scottish concert-goers; end his introduction to much wider audiences cannot be far away. Everything he played he galvanised with his energy and his lively, unself-conscious conviction: even in the rather dry-winded solo *Toccata* of Robert Saxton (receiving its London premiere), 13 minutes of dispersed and wistful musing, he found bright colours to play with and sharp edges to give shape to the line.

With Peter Evans at the piano, he also gave a splendid account of Shostakovich's little *Suite* made from his score to the film *The Gadfly* (nicely misprinted as the *Godly* in our programme — a movie about the chief of the Japanese temperance movement, and a fervently drawn, fiercely devotional reading of Dallapiccola's solo *Ciaccona*. *Intermezzo* and *Adagio*, essay in muted colour and angry lament.

The oboist Melinda Maxwell (b. 1953) shared the programme with Mr. Isserlis, following a very accomplished account of Berio's *Sequenza VII* with a new work for oboe and piano, *Music for Mel and Novu*, by Simon Bainbridge — the oboe addresses itself in patterns of contrasting rhythm to a jingling piano accompaniment: after a while, a conversation develops, and eventually the pair speak urgently in unison — a short, attractive piece that quietly justified its second hearing. Miss Maxwell and Mr. Isserlis came together in a finale of Gordon Cross's *A Little Epiphany* for oboe and cello (1977) — for all its apparently casual lineage (an afterthought born of the earlier *Epiphany Variations* for orchestra), one of Cross's most delightful and inventive chamber works, every measure cunningly weighted, given here by the duo with fine precision and good humour. An exhilarating evening: high standard indeed for the rest of the PLG's week to match.

Elizabeth Hall

Orlando Quartet

by DAVID MURRAY

The Orlando String Quartet is, I suppose, quasi-Dutch — resident in Holland, but natives respectively of Hungary, Germany, Austria and Romania. No national colour of the wide choice available marks their playing; they are simply a musician's team. They do not even have individual foibles, though their leader favours a very fast vibrato, and their violinist boasts a succulent tone which rose to the surface at appropriate points.

They began with Beethoven's *G Minor Quartet*, op. 18 no. 4: a carefully tight performance, with less *Sturm und Drang* rumbling than usual. Nuances were faithfully observed, but on a modest dynamic scale — the quartet has a lean collective sound. Bartok's *Quartet* no. 2 in place of the announced no. 3, which may well have disappointed some concertgoers, grew progressively stronger; the main weight was found not in the violent middle movement, but in the closing *Lento*, measured and honestly moving. Its broken polyphony was touched in with speaking delicacy.

The largest work was the third of Beethoven's "Rasoumovsky" Quartets, the one in C. Here the Orlando Quartet expanded its scale: if the *Allegro vivace* was a trifle too slippery and fluent to sound as big-boned as it can do, it had plenty of

Beryl Reid heads the cast which includes Barry Foster, Peter Bowles and Jan Waters. Clifford Williams is the director, designer is John Gunter with lighting by Mark Fritchard.

Born in The Gardens is presented by Eddie Kulukundis, Archie Stirling, John Wallbank and Howard Panter and was seen at the Bristol Old Vic in September.

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Thursday January 10 1980

The status of engineers

IT HAS LONG been recognised that one of the reasons for the UK's relatively poor economic performance is that too few of the country's ablest people have been attracted to careers in manufacturing industry. The activities of designing, making and selling useful artifacts are not accorded the same status and respect as they are in West Germany and other parts of Continental Europe. Although attempts have been made to promote the concept of management as a profession, the effect may have been to put too much weight on general administrative ability at the expense of the technical skills which are at the heart of the manufacturing process.

Shortage

The Finniston Committee of Inquiry into the engineering profession, whose report was published yesterday, found on its visits to British companies "a felt shortage of able engineers with the personal drive and flair for the leadership of manufacturing enterprises. Industrial leaders have more often been trained in finance and general administration than in engineering. Priorities and values of these backgrounds have thus set the tenor of the British management culture."

The senior managers of German companies tend to emerge through the engineering function. According to the Finniston report, about 60 per cent of Board members of German companies have engineering backgrounds.

The British problem is compounded by the fact that the training of engineers in schools and universities is often inappropriate to the needs of industry. The Finniston Committee reports employers' complaints that the education of engineers is unduly scientific and theoretical; that newly graduated engineers lack awareness of real life constraints to textbook solutions; that they are oriented too much towards research and development and that they are not interested in working in production or marketing; and that they lack understanding of what makes for the commercial success or failure of their employing companies.

Again the contrast with Germany is instructive. For the "diploma" engineer (Dipl Ing) the first three years of the five-year course are largely devoted to engineering science, but the

last two are concerned with engineering practice in particular disciplines. The emphasis on practice is facilitated by the strong links between the academic institutions and industry and by the substantial industrial experience of engineering professors. The weakness of the British system, Finniston suggests, reflects the narrow conception of engineering as a branch of applied science and the failure to encourage the development of the wider skills and outlook required of engineers in industry. "Employers have often taken the attitude that few engineers are properly equipped to take on broader managerial responsibilities and have employed them instead as providers of technical services, thereby closing the vicious circle."

To break out of the vicious circle Finniston proposes a radical change in the British approach to the "formation" of engineers, a term which covers the training received in the working environment as well as at universities. The report outlines three routes to the status of registered engineer, all of which involve a combination of academic work, leading to a degree or other qualification, and monitored experience in industry. The three "formation packages" would be accredited by a new Engineering Authority, which would be responsible for the statutory registration of engineers. The Authority would also have a wider remit to ensure the continuing supply and best use of engineering manpower and in general to act as an "engine for change" in promoting the interests of engineering throughout the economy.

Universities These recommendations are important and deserve the widest possible discussion. That an improvement is needed in the supply, quality and use of engineers is undeniable. Major changes are required in the nature of the training provided by universities and other institutions of higher education; collaboration between these institutions and industrial companies needs to be very much closer. One of the main tasks of the new Engineering Authority, if it is set up, will be to encourage and promote this collaboration, not to prescribe in detail the form it should take.

EEC funds for Britain

THE LAST few weeks have seen a steady flow of announcements of EEC financial benefits for Britain. The latest, and most dramatic is yesterday's confirmation that Community loans totalling almost £700m will be granted to help finance the Drax B coal-fired power station and the new Selby coal mine both in Yorkshire. But there have also been a number of smaller, if smaller, allocations to the UK. Last week an award of £8m was announced for the re-training and re-housing of steelworkers, a £3.3m loan for industrial projects from the European Investment Bank came just before Christmas, and this week the Commission pointed out that the latest batch of grants from the Regional Fund (totalling over £98m) constituted the largest single slice the UK has received from the Fund since its creation in 1975.

Imported oil

On the face of it, there is no particular reason why the UK should not be receiving grants and loans of this order from Brussels. EIB loans, Regional Fund grants and finance from Coal and Steel Community funds are all part of the run-of-the-mill operations of the Community. If the Commission wants to lend Britain £700m to promote the use of coal, that is a logical consequence of the Community's avowed determination to reduce its dependence on imported oil as a source of energy.

It is difficult, however, to interpret these repeated manifestations of financial largesse as sheer coincidence at a time when the UK is struggling to reduce its £1bn budgetary deficit with the Community. Sir Ian Gilmour, the Deputy Foreign Secretary, and Sir Geoffrey Howe, the Chancellor of the Exchequer, have both been launched into European orbit in a new, if somewhat gentler, campaign to convince Britain's partners that the country simply cannot afford the current budgetary cost of EEC membership. The Government is now making it clear that it is concentrating its increasing Britain's receipts from Brussels as a way of getting

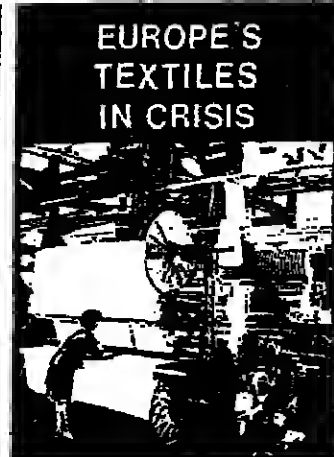
the budgetary argument—apparently acknowledging that the £350m offered at November's Dublin summit is the most that can be achieved on the contribution side of the equation.

The Commission presumably hopes that by flourishing large sums of money it can help to smooth the way to a compromise solution. It should help the UK Government if it can point to concrete evidence of substantial financial assistance from Brussels. There is no doubt that loans such as yesterday's £700m are useful. Community loans to public bodies in the UK are incorporated in the country's reserves figures.

If, like the EIB loans, they are at subsidised interest rates, they also provide a substitute for money that might have had to be borrowed at greater cost. It would be churlish not to welcome such financial support. Nor should its significance as a political manifestation of Community solidarity be downplayed. Such loans may be helpful to the Government psychologically in presenting whatever compromise is finally reached on the budget. But they are not a direct factor in the budgetary equation that produces the £1bn British deficit. That is recorded on the current not the capital account. The only small, dent the loans make in the deficit is caused by the figure that represents interest rate subsidisation.

Broad balance

The Government's priority must continue to be to reach an acceptable compromise on the budget that it can sell to UK public opinion. It has not been helped by the European Parliament's rejection of the Community's 1980 budget, which means that substantial extra funds for Britain are for the time being difficult, if not impossible, to find. "Broad balance" in the financial year 1980-81, never a realistic target, looks more and more like a will-o-the-wisp. But if spectacular loans like yesterday's are to become regular events in the future, they will help Government both politically and economically.



EUROPE'S TEXTILES IN CRISIS

THE SIMPLE sums scribbled out on the back of an envelope by a Paris-based textile industry economist are the crux of the problem facing Europe's textile producers. Rather like Mr. Micaud's terse assessment of his finances—"result, misery"—the bottom line makes depressing reading.

For the spate of factory closures that have been making headlines in the UK and Italy in recent months look to be no more than an unpleasant foretaste of worse to come. Many of those collapses are being caused by the flooding of those two markets with artificially low-priced man-made fibres that result from cheaper energy in the U.S. but the underlying trouble is that the structure of much of the European textile industry has become too shaky to withstand a real push.

The rough calculation is that for the next two years the EEC textiles industry will decline gently but inexorably. Thanks to the present five-year Multi-Fibre Arrangement (MFA) international textile trading deal that expires end-1982 guaranteed penetration of cheaper imports from outside the EEC will increase at a yearly minimum of 1.92 per cent in a Common Market where demand for textiles will grow by 1-1.5 per cent annually. Europe's output must therefore drop by at least 0.42-0.92 per cent during each of those two years, and possibly by a good deal more.

By the mid-1980s, though, that sorry state of affairs is likely to look like a memory. The chances of a 1983-87 MFA that is as protectionist as the present agreement seem slim. Pressure from developing countries for markets for their own textile industries, which are labour intensive and give a valuable boost to an unsophisticated economy, is becoming increasingly hard to resist. European analysts now reckon that by 1985 as much as 25 per cent of all EEC textile activity will have been "transferred" elsewhere and that 50 per cent of all clothing manufacture will have been suppressed by imports.

These stark figures give little impression of the human scale of the crisis. During the coming decade the decline of textile-related industries will cost several million European workers their jobs. And in addition to raising fundamental questions about the EEC's economic relationships with the world's developing countries, the situation is certain to unleash a political furor in most member states.

So far, the textiles industry has not enjoyed the high political profile of Europe's two other major overcapacity industries—steel and shipbuilding. A number of factors have blurred the picture; notably the fact that many of the 5,000-plus sizeable textile producers in the EEC that have closed during the 1970s had payrolls of only

250-500, with a high proportion of women employees. Even so, as many as 1m textile and clothing jobs have already disappeared in the Nine during that time with considerably less drama and controversy than has surrounded the suppression of about an eighth of that number of jobs in the EEC steel industry.

The lack of political clout stems in large part from the fact that there is no European textile industry as such. In each major EEC country the sector is fragmented into upwards of a dozen mini-industries such as knitting or dyeing, each of which jealously guards as much autonomy as it can. Yet at the same time the "textile chain" runs from High Street boutiques through to a man-made fibres industry that accounts for 25 per cent of all petrochemical sales in the Common Market.

The effect of this fragmentation is twofold. First, it has made it well nigh impossible for any master plan such as the European Commission's price and delivery disciplines for the more compact steel industry to be drawn up and applied to textiles. Second, and in apparent contradiction to the first point, it means that textile mills cannot be allowed by EEC governments to run down without a serious ripple effect hitting employment all the way up and down the textile chain.

If the textile industries of Western Europe are to survive at all, however, it is now widely agreed that they must shed jobs on an alarming scale. It is not easy to calculate exactly how many people are presently employed in the Community's textile-related industries because of the many self-employed outworkers who help make up the garment industry. In Italy alone the number of outworkers is reckoned at almost 500,000. But many economists are agreed on a conservative estimate of 3.5m-4m people, and it has been said that the livelihood of one EEC citizen in eight depends on textiles.

Streamlining problems

To streamline the sector into a state where it regains its international competitiveness it is generally accepted that textiles employment must at least be halved during the first half of the 1980s. That is to say that up to 2m people directly employed in the industry could swell the EEC's existing dole queue of 6.5m, with others from secondary and service industries that rely on textiles joining them. Nor will payroll pruning of that order have an immediate effect on the industry's profit levels. For the job cuts must be accompanied by even more determined investment in new technology and by a radical reorganisation of the industry's structure.

The size and shape of the companies that make up the

Half of Europe's textile jobs at risk in 1980s

BY GILES MERRITT IN BRUSSELS

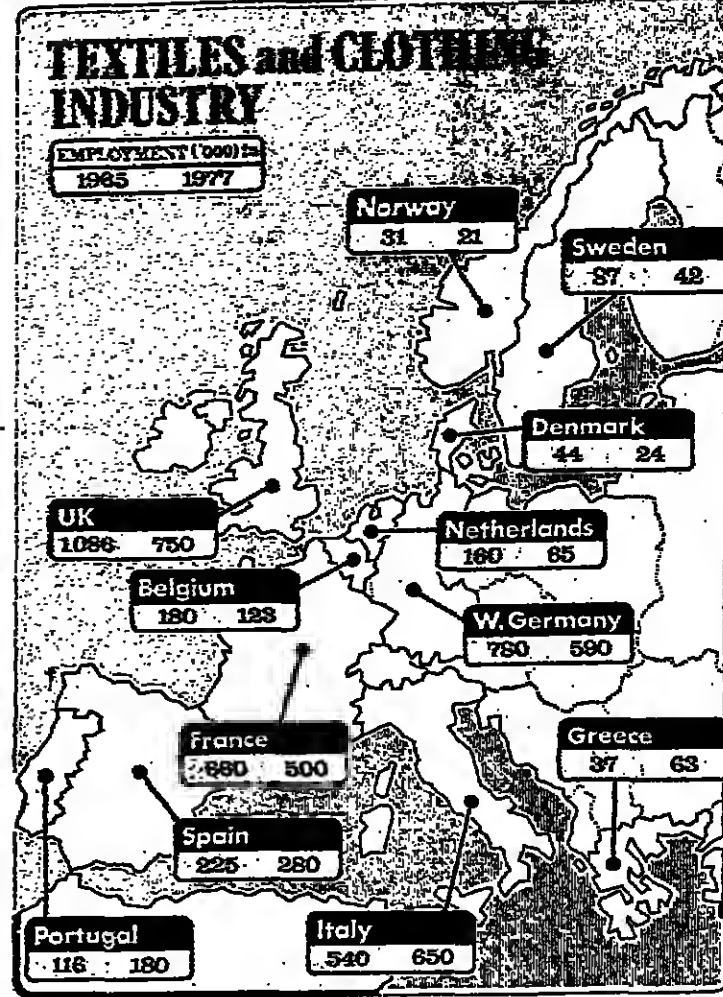


Mr. Leonard Regan, President of the British Textiles Confederation: "The pussy-footing in Brussels must stop. The American invasion of the UK market for man-made fibres and products made from them has reached intolerable heights."

European textiles industry is emerging as the basic problem. While EEC producers complain loudest about imports from low-wage developing economies—which to the tune of about 40 per cent in fact means Hong Kong, Taiwan and South Korea—that pressure is arguably less significant than the threat posed by mass production in Comecon countries and the U.S.

The average unit size of companies producing textiles in Europe is currently just a tenth of the U.S. average. In spite of the widely held assumption that there is a technology gap between the U.S. and Europe, the truth is that the same advanced equipment is available to both but that only U.S. companies are of a size to use it. Ironically, it is the still dominant European textile equipment industry that supplies such machinery.

Mass producers clearly have an accelerating price advantage, and in sectors like carpets American mill costs are an unbeatable 25-30 per cent lower than in Europe. In international terms, EEC textiles and clothing producers are caught between the pinners of U.S. and Eastern European economies of scale and the low wages of the Third World. To compete with both, the wage content of items produced in Europe must drop from the present level of around 35-40 per cent to 10-15 per cent. A programme of EEC-wide mergers synchronised with closures that would yield complementary manufacturing operations across the Community is urged by some industry experts.



Viscount Etienne Davignon, EEC Industry Commissioner: "Between 1973 and 1976 +15 per cent more or less of textile employment was lost (to the EEC)... and in people is not a statistic. It is a tragedy. And a human tragedy."

Reorganising the framework of the European industry would nevertheless be a massive undertaking, and one for which there is no central authority. The European Commission is effectively limited to playing a policeman's role, for its powers under the Rome Treaty authorise it to ensure that the competition laws are not broken by cartels or corporations' abuse of a dominant market position. Rather more positively, it is bent on preventing member governments from becoming enmeshed in a beggar-my-neighbour game of subsidising their ailing textile sectors at the expense of other EEC competitors. But if the Brussels Commission seems to be ducking the issue, it must be said that it is at the textile industry's best. A year ago it held hearings as a step toward developing a strategy and felt itself to have been openly snubbed by participants who refused to divulge information.

The industry's answer to the gathering crisis has centred on demands for tighter import controls. The EEC's plethora of trade associations continue to insist that the solution to their members' problems is the blocking of Community markets to outside producers. Commission officials, who often must bear in mind the broader context of agreements such as Lomé that the developing countries find unsatisfactory, are often branded by textile producers as advocates of selling-out the European industry to foreign competitors.

The textile industry's resentment is understandable, as the Commission's policies have made the EEC the world's most open market for textiles. Ten years ago the balance of trade in textiles was in the EEC's favour, exports continued to outweigh imports. The relaxed approach engendered by a European textile trade that had during the 1960s grown several percentage points faster every year than GNP resulted in the first MFA of 1973-77 that allowed low-wage producers to increase their sales to the EEC by a yearly 25 per cent during most of that period.

Now Italy spends more on importing textiles than motor vehicles. France faces losing over half its domestic textile market to imports and the trade balance for the Nine has moved irretrievably into deficit. There remain rather more than 30,000 textile-related companies in the Community, together with a man-made fibres industry which, although almost whole has been weakened by accumulated losses since 1975 of around \$3bn and a market outlook that suggests that in 1981 it will be operating at only 70 per cent of present capacity. The problem is no longer how to save the industry but what to save of it.

To allow the industry to be "restructured" by market forces is one solution, and its advocates point out that recent years have seen textile manufacturing move steadily south through the EEC area towards the new Mediterranean producers without serious disruptions. Redundant textile workers in Denmark's almost defunct industry might not agree with that, but in any case there is a more powerful argument against a passive policy. The consequence of *laissez-faire* is *laissez-aller*, and the textiles industry is so constructed that not only the weakest companies would be weeded out by market forces, tight credit policies operated by the hard-pressed synthetic fibres giants have hit downstream producers fairly indiscriminately. At the same time, buoyant sectors can suffer rapid reverses, so that the polyester trade that had confounded Jeremiahs by growing at 10 per cent a year and the Italian acrylic knitwear trade that has been the bane of its EEC competitors are now both reeling from imports of fibres made with cheap U.S. feedstock.

The deciding factor that will no doubt shape and select the European textile industry that survives is politics. Fragmented as the industry is, it is geographically concentrated. In key areas such as North West England, Northern Ireland, Northern France, the Lyons region and central and southern Italy, to name but a few, textile votes are decisive. Indeed, it has been reckoned that there are enough marginal or vulnerable constituencies in the gift of potentially disaffected textile workers for Europe's political maps to be sharply redrawn over the coming difficult years.

● A series of articles starting tomorrow on the European Page will examine aspects of Europe's textiles industry.

MEN AND MATTERS

Floating idea takes shape

While the City jet-set are likely soon to have to make do with Biggin Hill as their nearest landing strip, the growing number of helicopter enthusiasts should by June be able to step off a floating landing pad a stone's throw from Blackfriars station.

Despite the misgivings of the City Corporation, permission has been granted—with a number of caveats—for a "helistop" on two converted barges between Southwark and Blackfriars bridges. A helistop is apparently different from a heliport in having no refuelling facilities, and no air-traffic control. This last would be done by telephone tie-line from the heliport at Battersea.

Captain Eric Brown, chief executive of the British Helicopter Advisory Board, and secretary of the independent company it has set up, City Helicopter Ltd, tells me BHAB members will be investing about £100,000 in the installation, which will be allowed a quota of 1,500 flights a year. Only the new generation of quieter helicopters will be allowed, a restriction also

applied to most of the 11,500 movements allowed at Battersea.

"We've been plugging away at this for the last 10 years," he says. "Battersea is not after all the most convenient place for the City. There's no Tube and it's on the wrong side of the river. It can take you 25 minutes to get to your office, which rather defeats the object of using a helicopter in the first place."

Westland, which operates the heliport at Battersea, says rather pointedly that it is not proposing to help finance the helistop, although it welcomes any new helicopter facilities. It is at present losing money at Battersea, despite the fact that the administration of the place seems to consist mainly of a girl and a parrot. A small loss? "Small in our terms," says a spokesman.

All aboard

Superstar adventurers add greatly to the appeal of a travel club mailing shot which is currently being dropped through 750,000 British letter boxes. Chris Bonington, Wally Herbert, Robin Hanbury-Tenison and 19 other well-travelled, well-known personalities are listed in the brochure as supporters of the club, WEXAS, which offers to jet members to far-flung holiday heavens at bargain prices. (Annual subscription is offered at the "special" price of £9.50 a year.)

They are all honorary board members of the club, which was founded as a charity 10 years ago. All surpluses go into the WEXAS Awards Trust which offers grants to support "major expeditions." Chris Bonington, mountaineer-cum-writer, told me he was invited to be a vice-president about eight years ago. "I agreed, and that's as far as it has gone." The vice-presidential duties? None, so far. Sue Tiltard, executive director on an all-female execu-

tive board, claimed that in the past 10 years the trust fund had helped 167 expeditions. "I think at the moment we give about £100 a go," she said. Among recent beneficiaries are Robin Hanbury-Tenison, who led a trek to Sarawak, and other members of the honorary board.

The only honorary Board member involved in the running of the club is one Ian Wilson. He set up WEXAS and is not available at the moment because he is in the West Indies, "sussing out" the possibilities there, according to Sue Tiltard.

Prices of flights offered by the club appear to fall in the range now common in the cut-price air travel business, so why should people pay a club to book for them? "It's easier, and with a club some people feel it's pleasant to work through people they feel they know," returned the executive director.

Current membership is around 20,000 and the club hopes to attract 15,000 more through its mailing. I asked what was to be done with the £140,000 from new membership fees. "Oh, most of that will have to go to cover the cost of the mailing shot," responded the helpful lady director.

Fortunate the rail passenger who commutes daily between Watford and Bletchley. For whereas most fares have just risen by 20 per cent, the price of a cheap day return on that route has gone down. This curiosity is drawn to my attention by a reader in Milton Keynes, who heard his boss reduced.

fallen from £2.46 to £2.42.

Probably a deliberate marketing policy, said one BR spokesman who assured me that the standard fare had gone up by 68p, then swiftly passed me to a second spokesman.

"It is a standardisation of percentage discounts," declared the second spokesman. Did that mean that the fares were previously too dear? "On that line there are fairly modern trains and better conditions than on many other lines in London and the South-East," he replied adroitly.

Smelling a rat

Rats, however unpleasant some of their habits, have gone up a peg or two in my estimation since my chat yesterday with Winchester businessman, Keith Webb.

Mr. Webb tells me his fruit and produce warehouse is occasionally invaded by foraging parties of the pests. They favour the odd nut, enjoy splashing about in over-ripe melons. But most of all they love apples.

"Odd thing is they are highly selective," Mr. Webb says. "If I have any in stock they always go for Egremont Russets (a good old-fashioned English variety). Next best thing is a nice Cox's Orange Pippin."

But his research has shown that the rats never touch French Golden Delicous. "Can it be that they retain characteristics lost to many British humans—a sense of taste and smell," he asks.

Incisive inventor Dentist overheard: "examining new patient: I see you've put your money where your mouth is, Mr. Hamilton."

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ECONOMIC VIEWPOINT

The principles at stake in steel

INDUSTRIAL disputes are too important to be left to the industrial relations Establishment or to specialists in the industry concerned.

The first thing that needs to be said is that there is no principle of market economics whereby the Government can disclaim responsibility. Non-intervention can be justified in unsubsidised private industry, where market forces act as a non-political regulator. It can be justified up to a point in profitable nationalised industries, which can be treated "as if" they are private concerns required to provide a minimum return on the public funds they invest.

But nationalised industries running at a heavy loss are a different kettle of fish altogether. They can exist in their present form only because of subsidies from the Government, and the who pays the piper has not only the right but the duty to call the tune. People like Sir Charles Villiers or Sir Michael Edwards are government agents, and they must be responsible to Parliament through Ministers or directly for their expenditure of public funds, not merely for cash totals, but for how they run their empires.

Suspicion

What is actually at stake? The figures quoted for wage offers and settlements need to be treated with the maximum of suspicion. They have a large public relations element and often differ a great deal from the earnings afterwards recorded. But making all due allowance, it is clear that some steelworkers at least are being asked to accept at least the possibility of wage increases below both the past and prospective rise in prices, and below what

many other groups are being offered. It is the risk of this happening which lies behind the opposition to a "self-financing" deal.

What is the justification for asking steel workers to bear this risk? Productivity cannot be brought in here. As I have tried to explain in earlier articles, earnings neither do nor should reflect the productivity trends in particular occupations, which are often outside the control of the workers concerned. (Special efforts or sacrifices are a different matter, although "productivity" agreements based on them are notoriously open to abuse). Moreover, although there seems to be large scope for productivity improvement in steel, no one has suggested that the rate of productivity growth has in the past been less than in industry generally.

The fact that steel is running at a heavy loss makes its wages strategy inevitably a public matter. But the losses are not themselves an argument for a real wage reduction. If a West End or City office running into hard times tried to reduce its typists' real wages, it would soon find that its staff had left to go elsewhere. If there were a comparable demand for steelworkers in other occupations, BSC could not afford to pay less than the going rate of increase. The real argument for a real wage reduction is the state of the labour market at current wages: there is a surplus of steelworkers; and if steel fell back in the wages league, the Corporation could still get all the workers it needs, and more.

The idea that relative wages movements should depend on labour market supply and demand is a sound one and would do more to restore full employment than all the "job creation schemes" ever invented. Indeed it is central to a market

economy, however "corrected."

But it has also been thoroughly out of fashion for decades and hardly ever stated clearly by any of the political parties or Establishment bodies. It seems a bit hard that the steel workers should discover that their wages are being regulated by a doctrine known in theory mainly to some economists and practised overtly only in the black and fringe economies.

This difficulty might still be regarded as one of public relations, if the doctrine of real wage cuts where demand is weak were applied in the rest of the government sector. But the Clegg recommendations for public service manual workers were based on "comparability," not supply and demand. There is not the slightest attention paid to market forces in the so-called "pay research" which is being reconstituted for the Civil Service. The Rate Support Grant for local authorities provides for pay increases of 13½ per cent, with the general expectation that a few per cent more will be financed out of volume cuts in spending. Nor do the Steel Corporation's losses affect the argument. For the service workers benefiting from Clegg have never had to meet a profitability test in their lives. However high the proportion of steelworkers' wages paid by the Exchequer, it does not amount to 100 per cent as it does for public servants recommended directly out of rates and taxes.

This basic answer to the steel dilemmas is that market principles should be applied humanely, but generally rather than selectively. This means that Clegg, "comparability," and all the remaining impediments from the incomes policy era should go. This advice is not hindsight on my part, as it is never too late to change. But in the short run, with existing labour market and public sector

politics, there is only a choice of evils.

A higher cash offer in steel can probably be self-financing only with redundancies exceeding those already planned. If these remain unacceptable to the unions, an increased cash offer will mean higher public spending on steel subsidies. If this is not to be paid for by the particular tax known as inflation, it will have to be financed by keeping interest rates at a higher level for a longer period than would otherwise be necessary, or by other reductions in public spending, involving probably redundancies elsewhere, or by higher taxes than we would otherwise need.

Why not then let both sides put their money where their mouth is and settle on the basis of a 14 per cent cost of living threshold? In other words, if the Retail Prices Index rose by above 14 per cent steel workers would receive a corresponding supplement to make up the difference. The Heath 7 per cent thresholds of 1972-74 were far too low, applied to all workers, and were superimposed on a universal wage norm which was too high. It is a tragedy that mistaken analogies from the Heath period should prevent more limited and sensible experiments in wage indexation which would be less dependent on good luck and good forecasting for their success.

The choice of a price index

THE ONE SERIOUS economic argument advanced by the Government's advisers against the issue of indexed bonds, which could transform public finances for the better, is a fear that indexation would spread to wages, like some sort of

fungus. This is not so obvious. There is a clear difference of principle between a government security, the terms of which are fixed for many years ahead and wage agreements which, apart from being less firm, run for about a year.

But there is, as indicated in the previous section, a powerful case in its own right for limited, careful experiments in wage indexation. Many wages are informally indexed in any case, as the emergence of the "going rate" tied to the inflation estimate demonstrates. Why not go about the process more consciously and with built-in safeguards?

The problem which rightly worries officials is what to do if full cost of living compensation cannot be afforded either in a particular sector or in the economy generally. This problem is not avoided by making the indexation informal and one of guesswork. The argument for indexation here, as elsewhere, is that of honesty. If real wages have to be reduced by 2 per cent it is better that this should be done openly rather than by awarding 15 per cent, hoping that prices will rise by 17 per cent—a procedure which has unlimited downside risks for employers, unions and government alike.

But clearly wage indexation would work more smoothly if an index were used which itself took account of changes in national economic circumstances which made full cost-of-living compensation unfeasible. A price index already exists much more suitable than the Retail Prices Index. This is known as the "Gross Domestic Product Deflator" or in more homely terms "Index of Home Costs."

Thus it excludes import prices. If these rise because of, say, oil price increases in the period before self-sufficiency or in the aftermath of a devaluation, the GDP Deflator will not suggest that anyone is entitled to compensation. It also excludes indirect taxes because these are transfers rather than costs. But being an old-established index, rather than one specially invented after an election it should give rise to less union suspicion than the Tax and Prices Index.

PRICE INDICES COMPARED				
	% increase over previous year			Excess of RPI over GDP Deflator*
	Earnings	GDP Deflator	Retail Prices Index	
1973	13.5†	7.5	9.2	+1.7
1974	17.8†	17.0	16.1	-0.9
1975	26.5†	27.4	24.2	-3.2
1976	15.6†	13.7	14.5	+0.8
1977	9.1	11.9	15.8	+3.9
1978	13.0	10.7	8.2	-2.5
1979†	15.7	13.7*	16.0	+2.3
Average				+0.4

* Minus sign means that GDP Deflator rises more.

† Third qtr. on third qtr.

‡ Older index.

Source: CSO

ation, the GDP Deflator will not suggest that anyone is entitled to compensation. It also excludes indirect taxes because these are transfers rather than costs. But being an old-established index, rather than one specially invented after an election it should give rise to less union suspicion than the Tax and Prices Index.

The disadvantage of the GDP Deflator is that it reflects the cost of government services and of investment goods. The former at least tends to rise faster than prices in general. But then nothing is perfect for all purposes.

The table shows that it is normal for the GDP Deflator to rise less than the RPI. The main exceptions were in 1975 and in 1978, years both marked by a clear improvement in the terms of trade. The Deflator has also corresponded more closely to underlying inflation. It did not show the artificially low inflation rate shown by the RPI in 1978 nor has it shown an exaggerated increase this year.

For the advocate of the GDP Deflator is the wage explosion year of 1975, when it rose faster than the RPI. But even in that year complete indexation based on the Deflator would not have pushed wages more than the tiniest fraction above where they went in any case. Indexation based on the Deflator in succeeding years would have involved a much more stable path for wages than we have seen—although still too high because monetary policy has been too inflationary.

Switching to a new index cannot itself provide all the required changes in real wages. But even in an emergency year such as 1975, it would surely have been less disruptive—and equally productive in terms of wage de-escalation—to have simply proposed suspending the last few points of inflationary compensation in an indexed world than introducing the 65 pay limit and all the other arbitrary pay policy norms which followed culminating in the explosion of a year ago.

Samuel Brittan

Small is beautiful

From the National Chairman, Association of Independent Businesses

Sir—There is much to be said in Anatole Kaletsky's *Small is Beautiful*. "Small comfort in small firms" (December 19).

The interests of brevity, might I move, directly to his conclusion, that "the reliance on small firms amounts to a policy for shifting jobs out of manufacturing into services... It is really so very different from good, old-fashioned de-industrialisation."

I would submit that the difference is very great indeed. The nature of our industrial base has been in constant change throughout our history, as has been the pattern and nature of employment in it.

One might single out several important factors affecting this: technical change relating to processes (the number of people who can produce so much in so long); technical change relating to products (a century ago, many thousands were involved in manufacturing—steam engines); external competition; investment policy; industrial relations.

Much of our present problem derives from applying political solutions to commercial problems and from confusing, as Mr. Kaletsky appears to be doing, a changing industrial base with de-industrialisation.

An economy evolves: as it does, the relationship between the constituent parts changes. Artificial attempts to maintain that relationship, as for example, maintaining gross overmanning in many "traditional" industries, damage the whole organism.

There is no particular magic or virtue to the number of people employed in manufacturing—as opposed to service or any other sector. Artificially maintaining 50 people in jobs 10 can do can only have damaging effects—on cost competitiveness, on our customers who will not tolerate the former, nor our unions the latter.

Mr. Kaletsky's contention that support for smaller firms is support for services as opposed to manufacturing is somewhat misleading. I wonder if he is aware that of 104,069 manufacturing establishments, 97,726 are "small" (less than 200 employees) and 58,993 are very small indeed—10 or fewer employees? The nature of the manufacturing base may be changing, but the role of the small firm in it remains both substantial and important.

Mr. Kaletsky has done an unfortunate service by linking the questions of small firms policy and attitudes to the industrial base. A continued policy of mindless support for jobs in declining industries (which has been virtually consistent Government policy for the last two decades) can do nothing but harm to both small firms and the future of our manufacturing base.

Stochastic and hazardous

From the Managing Director, British Shipbuilders

Sir—In my view the only permissible end point of any plan is, in fact, that it is irrefutable and Igor Ansoff makes the point early in his article on

Letters to the Editor

January 2. His article, however, does raise some doubts as to the value of forecasts. There is nothing wrong with starting any plan with a forecast. The forecast will be wrong if it does not, however, address itself to the real world. Planners in the 1950s and perhaps the 1960s tended to take the view that extrapolation was the answer to many questions and the comfortable route chosen was to take indices of economic growth etc. and apply these to the sector or market within which the organisation earns its living. Extrapolation implies a linear world—non-linearity is the norm.

Any clear assessment of the real world will enable identification of the risks and hazards, and that will identify a range of probabilities relating to events for which the organisation must plan. The range of probabilities may be wide but that range will be based on realism. Perhaps the real problem of the forecasters and planners of the 1950s and 1960s was that they were not familiar with the essential nature of the real world, i.e. that it is stochastic and hazardous. Perhaps future plans will have a new realism if only because people are now educated in the concept of uncertainty. (Dr.) E. Kinnoch, 136, Sandford Road, Newcastle upon Tyne.

necessary changes are much more likely to succeed during the difficult 1980s. (Dr.) R. J. Poulet, 83 Pall Mall, SW1.

Half time miners

From Mr. R. Smart

Sir—The excellent review of the tenth year of the activities of the Royal Mint at Llantrisant, South Wales (December 29), included an interesting reference to "absenteeism." Many of the Mint's employees are ex-miners due to decline in the local coal industry. Absenteeism of 11.63 per cent has proved a matter of great concern to the Mint.

Coal productivity in South Wales is barely half the national average which itself is among the lowest in Europe, while Welsh absenteeism is among the worst in the industry. Absenteeism has long been a chronic and endemic feature in mining responsible for an annual loss of coal output of some 80m tonnes. Miners in the U.S. have a far better record of attendance, the persistent absentee getting short shrift from their team mates with no support from the miners' union.

Prior to the last war mining absenteeism was around 5 per cent. In 1947 A. J. Hall, president of the Yorkshire National Union of Mineworkers, said: "Persistent absentees should be punished" when it was 12 per cent. The position was condemned by the National Coal Board in 1957 as destructive of "technical progress" when face figures were 16 per cent. In 1967 Lord Robens (NCB) referred to "half-time miners" stating that "on Mondays absenteeism averaged 40 per cent, was crippling the industry, and threatened the economic survival of the UK."

Clearly in a competitive world coal in the UK has no future without drastic improvement in productivity. R. C. Smart, 68, Hamilton Avenue, Harborne, Birmingham.

Quality of life

From Dr. S. Watkins

Sir—I was surprised that on January 4 you failed to report the fact that the annual conference of Community Medicine Trainees had carried by 37 votes to 10 a resolution declaring that the policies of the present Government were likely to be harmful to health, that successive Governments had failed to take adequate account of health implications in formulating policy, and that health had been neglected in areas of policy as diverse as agriculture, food, housing, transport, energy, economic and industrial policy.

This conference was an educational and scientific conference of doctors, below the grade of consultant, in that medical speciality which is concerned with analysing the health of the community and the factors affecting it, and on the basis of that analysis, planning health services and advising public authorities. Although the resolution was proposed by the Association of Scientific, Technical and Managerial Staffs Community Medicine Trainees Group, the size of the majority

plainly transcended trade union or political loyalties, and reflected an important professional judgment.

The present assumption is that the material standard of living must take precedence over other elements of the quality of life. Governments fight elections on their success in increasing real disposable income or GDP, not their success in making people healthier. Trade unions recruit members on the question of pay, not the question of job satisfaction or industrial safety.

Accordingly policies reflect that assumption. Agricultural policy is about the price of food and the livelihood of farmers, not about the effects of different policies on diet and hence on the incidence of diseases such as coronary heart disease. Transport policy is about the economics of moving people and goods, not about the effect on road traffic accidents of particular decisions. The arguments in favour of a "socially useful work" approach to unemployment were hardly augmented at all by Harvey Brenner's conclusion that more than 50,000 deaths per year in Britain were caused by high unemployment. (Dr.) Stephen J. Watkins, (Council Member, Medical Practitioners' Union Section, Association of Scientific, Technical and Managerial Staffs.) 2, Keats Close, Langton Brown, Ecclestone, Chorley, Lancs.

Inward looking customs union

From Mr. R. Wood

Sir—I belong to the school of thought which believes that the Government's approach to the problem of our extensive payments to the EEC should have been to place the emphasis on the need for the fundamental reform of the Common Agricultural Policy. There has long been a consensus on the need for this to be effected sooner rather than later, so that this approach could not be criticised so much as special pleading.

As an inveterate European I regarded the EEC in the first instance as a challenge in which the participants could benefit from the enlarged market but at the same time accept the consequences in those cases where they could not compete. In the event, the market has turned out to be a very different thing in which members think only in terms of what they can get out of it in the way of subsidies, and the like, in comparison with what they put into it. The result is that it has developed into a bureaucratic jungle in which the officials indulge in an orgy of intervention in what is rapidly becoming an inward-looking customs union.

By and large, however, the UK, which is efficient in agriculture and inefficient industrially, has accepted the consequences of the latter in open competition whereas Germany and France are failing to do this in the case of their small and backward farming communities. In the same way as the British Government should itself subsidise its uncompetitive firms and industries, if this is felt to be politically and economically desirable, so too should the French and German Governments be responsible for subsidising their uncompetitive farmers.

Russell Wood, Kennet House, Kennet Wharf Lane, Upper Thames Street, EC4.

Today's Events

GENERAL

UK: Final day of Financial Times conference on "Problems in Accounting."

National Economic Development Council sector working party reports on technology applications.

BL shop stewards meet on pay offer.

Airfix disaster and union leaders discuss Meccano closure.

National Union of Mineworkers' executive meets.

Overseas: Lord Carrington, Foreign Secretary, in Turkey on five-day tour of countries bordering Afghanistan.

Ceremonial re-opening of border between Uganda and Sudan.

OFFICIAL STATISTICS

Treasury publishes central government transactions (including borrowing requirement) for December.

Department of Industry releases December provisioned figures of vehicle production.

COMPANY MEETINGS

Beechwood Construction, Rhemaen, Alandeffo, Dyfed, 12, British Sugar Corporation, Hyde Park Hotel, Knightsbridge, 12, Castlefield (Klang) Rubber, Harrisons and Crossfield, 14, Great Tower Street, EC 11, Killinghall (Rubber) Development Syndicate, Harrison and Crossfield, 14, Great Tower Street, EC 11, Riley, The Connaught Rooms, Great Queen Street, WC, 12-30.

COMPANY RESULTS

Final dividends: Bond Street

Fabrics, English China Clays, Pleasurama, Sotheby Parke Bernet Group, Interim dividends: Ratners (Jewellers), Symonds Engineering, John Waddington, Interim figures: Somportex Holdings.

LUNCHTIME MUSIC, London

Voices Vivorum directed by Garrett O'Brien, St. Olave, Hart Street, EC3, 1.05 pm.

Bach Cantata Series (No. 123) ensemble directed by Peter Leacock, St. Mary-at-Hill, Lovat Lane, Eastcheap, EC3, 1.15 pm.

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Companies and Markets

UK COMPANY NEWS

MINING NEWS

Diamond sales expansion slows after three years

BY KENNETH MARSTON, MINING EDITOR

AFTER THREE years of expansion to new records, the total value of world sales of rough gem and industrial diamonds marketed by De Beers Central Selling Organisation fell slightly in 1979, as forecast in these columns.

The 1979 total value of \$2.19bn (£1.17bn) compares with the 1978 peak of \$2.22bn. Reflecting the weakness of the U.S. dollar against the rand, however, the dollar value of the 1979 sales has risen modestly to \$2.59bn from \$2.55bn.

Clearly, the CSO sold less diamonds last year. The main reason for this is that price resistance was beginning to make its impact on the big "middle" range of the jewellery market. Buyers were tending to go for a lower diamond content, or lower quality of gem stones, in each piece of jewellery which, of course, also contains a rising price gold content.

At the same time the polishing trade has been burdened, at high interest rates, with a big surplus of returning smaller stones—ranging up to one carat in the rough—that were accumulated during the currency bedeviling scramble that developed in 1978.

And earlier last year the De Beers chairman, Mr. Harry Oppenheimer, warned of a return to more normal conditions in the diamond trade.

Broadly speaking, demand for the larger gem diamonds has kept up well, particularly in the second half of last year. A top quality "de-luxes" polished gem of one carat which would have fetched about \$25,000 at the end of last year moved up to a peak of around \$40,000 shortly before Christmas and then dropped back to about \$30,000.

Since then, the heightened political and currency uncertainties which have resulted in an acceleration of the rise in the price of gold may well have had

an impact on hedge buying of such larger gems. Sales of the smaller polished stones which—rightly in my view—are not bought for investment purposes have not been much affected.

Whether the demand for larger gems will remain strong remains to be seen and, in all the diamond buying outlook for this year is uncertain with the smaller gems continuing to overhang the market. But it is not a cause for undue concern; at the moment the trade is regarding sales as having reached a plateau.

The diamond trade has the strong financial backing of the CSO which was formed precisely for the purpose of regulating the supply of rough diamonds to the market—it controls the disposal of some 85 per cent of total world production—in a manner which aims to avoid sharp price fluctuations.

De Beers, with its large cash reserves and important gold income, can still be expected to have enjoyed the "satisfactory year" in 1979 that was anticipated by Mr. Oppenheimer in July. The group's 1979 results are due in March and should still bring a modest increase in the 1978 dividend level of 65 cents (35p) which was covered three times by earnings. De Beers were 7p down at 449p yesterday.

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NEW LIFE BUSINESS

Good year for Eagle Star

BY ERIC SHORT

A SUCCESSFUL year for new life business is reported for 1979 by the Eagle Star Group with new annual premiums up by 20 per cent from £23.4m and single premiums 8 per cent higher at £52.1m against £48.2m. New sums assured amounted to £2.1bn compared with £2.23bn in 1978.

In the UK, total new annual premiums showed a 25 per cent rise from £19.2m to £23.9m, while new single premiums advanced by 8 per cent from £48m to £52.1m. Net new amounts assured declined from £1.9bn in 1978 to £1.76bn last year, this drop coming entirely from a fall in new group life contracts which achieved a record level in 1978.

The group's 1979 life business in the UK, with new annual premiums doubling from £2.3m to £4.6m. Business in connection with mortgages improved, the sales being boosted by a strong demand for top-up mortgages. In addition there was a substantial rise in building society linked schemes, where the annual premium in 1979 amounted to £2.2m against £1.0m in 1978. New individual premiums advanced by 19 per cent to £2.1bn against £1.76bn in 1978. New annual premiums were 6 per cent higher at £10.9m against £10.3m, with immediate annuity business holding up strongly.

New annual premiums on UK pensions business advanced by 10 per cent from £16.7m to £18.3m. Executive pension scheme business rose by 50 per cent and group pensions business held the record levels achieved in 1978. But the self-employed business declined by 30 per cent in what was a patchy market last year.

Single premium and annuity considerations in respect of pensions business showed a 9 per cent improvement, with compulsory purchase insurance business amounting to over £30m—the company being a leader in this field.

The managed fund subsidiary, Eagle Pension Funds, also had a successful year in 1979. It received new annual premiums, included in the group figures, amounting to £1.9m and in 1978 to £1.5m. The £2.5m of annual premium income came from pension schemes previously insured with the parent company.

A drop in new life business, both annual and single premiums, is reported for 1979 by Equity, Equity and Law Life Assurance Society. New annual premiums fell by 12 per cent from £19.3m to £16.9m and single premiums by 7 per cent from £29.8m to £27.5m. New sums

assured were marginally higher at £30.1m against £29.6m. However, new annual premiums on individual life and annuity business showed a growth of nearly 10 per cent from £10.2m to £11.1m. This growth occurred in most sectors of the market, with the contribution from unit-linked business doubling from £1.5m to £2.2m. But there were rises in term assurance business and ordinary with- and without-profits contracts.

Group annual premium business showed a substantial drop from £9.1m to £5.9m, with virtually no new group scheme business arising. But premiums from increments were higher, rising by nearly 30 per cent from £4.3m to £5.1m. This drop in new scheme business was expected once the new State pension scheme was operative.

Individual single premium business fell by 5 per cent from £27.2m to £25.8m, the decline coming from the lower sales of guaranteed bonds. These fell from £14.1m in 1978 to £9.3m. Single premiums on group business were marginally higher at £2.8m against £2.6m.

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BIDS AND DEALS

Jeeves bought by Tricoville

Fashionwear manufacturer Tricoville is to pay £895,000 cash for Jeeves of Belgravia, the up-market clothes care company owned by its founders Mr. Sydney Jacob and Mr. Ronald Jacob.

Tricoville will also pay £80,000 for 10 per cent of Jeeves of Belgravia International, in which Mr. Sydney Jacob has a majority holding.

Jeeves of Belgravia International franchises the Jeeves trademark outside the UK, and will manage the Jeeves of Belgravia company 99-year rights to operate in western Europe.

Under the terms of the sale, Tricoville has an option to buy from Jeeves International 10 per cent of the issued share capital of the British Clothes Care Company of America, jointly owned by International and Neil and Spencer Holdings. BCCC has the American Jeeves franchise.

A consultancy company owned by Mr. Sydney Jacob, Piam Projects, will provide consultancy to the Jeeves of Belgravia for 25 years for a profit-related fee of at least £25,000 annually.

Jeeves profits for the six months to October, 1979, were £28,000 from four Trusts and Jeeves. Tricoville expects to establish two more British shops and two European shops within five years. It is also looking into licensing Jeeves clothes care products.

P & O OIL/GAS DEAL NEARS COMPLETION

P & O, Britain's biggest shipping company, has virtually completed the sale of its U.S. oil and gas interests—a move which it first announced in early November.

The company announced yesterday that the first closing of the sale of P & O Oil Corporation, to Southland Royalty, had been completed with the payment of £1.5m.

Standard Fireworks welcomes Stanley stake

A BELFAST company has bought 360,000 shares in Standard Fireworks giving it a 21.6 per cent stake in the Huddersfield group, which is one of the largest in the UK fireworks industry.

Standard's managing director, Mr. Derrick Worthington, said yesterday that he had not heard anything from Stanley, which he thought was a privately-owned leisure and betting shop company.

"But he said he was not concerned at the size of the new holding — 'we are happy to have them as shareholders.' He thought Stanley, from whom we bought a stake in 1978, had bought his shares in several large blocks.

Standard's other major shareholder is Britannic Assurance, which has 6.7 per cent. Shares of Standard, whose pre-tax profits rose from £209,000 to £406,000 in the year to March 31, 1979, closed 2p higher yesterday at 72p.

EAGLE STAR/SUNLEY MEMBERS APPROVE

Shareholders of both Eagle Star Holdings and Sunley Holdings have approved at meetings yesterday, approved without modification, the proposed scheme of arrangement for the acquisition by Eagle Star of all the ordinary shares in BSIT other than those already owned by Eagle Star group.

A petition is to be presented to the High Court for approval. This is expected to be heard on February 4.

RELIOL/TYNESIDE CARMIL SILENT

Shareholders of Reliol Investment Trust and Tyneside Investment Trust will be contacted by their directors in the next few days following the approval by Name Investment Trust.

Mr. Peter Hill-Walker, managing director of both Tyneside and Reliol, said no written proposals had yet been received and until this was the case he could not comment. He said that a subsidiary investment trust, said yesterday that its plans "essentially involve the utilisation of Reliol and Tyneside."

PILKINGTON BROS. BUYS LEINSHIRE

Companies and Markets

INTERNATIONAL COMPANIES and FINANCE

NORTH AMERICAN NEWS

Atlantic Richfield plans \$3bn spending

By Our Financial Staff

ATLANTIC RICHFIELD, the major U.S. oil group, plans capital expenditure of \$3bn this year, compared with \$1.8bn last year. The company said, however, that the 1980 budget was "highly dependent" on cash flow from existing operations.

It added that the spending may have to be trimmed if the "windfall profits tax" being deliberated by Congress greatly restricted the profitability level required for its 1980 programme.

Atlantic Richfield, which has a significant stake in Alaska's Prudhoe Bay oil and gas field and controls the Observer newspaper of London, said that 71 per cent of its 1980 budget would go to oil and gas exploration and production in the U.S. Overseas exploration would, however, also be increased.

The main overseas activities would cover expanded drilling in Indonesia and new operations in Norway, Chile, Somalia and some other areas.

Pillsbury grain sales assurance

Pillsbury, the food and restaurant group, said that the embargo on grain sales to the Soviet Union should not have a significant effect on earnings for the year ending May 31, reports Reuters from Minneapolis. Its grain merchandising division, which does not make direct sales to the USSR, is ahead of its profit plan and also expects to finish the fiscal year ahead of plan.

Support for Chrysler deal

The United Autoworkers Union council said it recommended Chrysler Corporation workers to ratify a new contract with the company, Reuters reports from Detroit. The rank and file vote is to be held on Sunday and will be completed by February.

Charter withdraws from ERC takeover battle

BY STEWART FLEMING IN NEW YORK

CHARTER COMPANY, a rapidly expanding U.S. oil company with interests in life insurance and publishing, is dropping its efforts to take over reinsurer ERC Corporation after a decision by ERC not to recommend an increased \$800m takeover offer.

Charter said yesterday that it had told ERC that it was prepared to increase its offer for ERC from \$80 a share in securities to \$100 a share. But the Board of ERC retorted that it was not prepared at present to set in support of Charter's offer.

The new Charter offer followed an announcement from Connecticut General Insurance, the seventh largest U.S. life insurance company, that it was prepared to increase its \$80 a share offer for ERC to a \$90 a share cash bid if ERC would recommend the deal.

The Connecticut General announcement came after a decision from the State of Missouri Insurance Department that it intended to block the Connecticut bid for ERC on the grounds that it would adversely affect competition in the state's insurance market.

Charter had originally come into the bidding for ERC after the announcement that Connecticut General was interested in taking control of the reinsurer company with an offer worth \$80 a share. ERC rejected the Connecticut General bid and encouraged the rival offer.

The events of the past two days raise the possibility that ERC will be able to avoid being absorbed by either tender and will remain one of the few independent substantial insurance companies in the U.S. It may well face shareholder pressure, however, to accept one of the offers.

Lockheed, the Californian aerospace company, is to design, develop and start production of a light twin-engine version of its Hercules transport aircraft within the next 27 months.

To be named the L-400, the aircraft is aimed at countries which will need to phase out ageing troop and general purpose civilian transport aircraft, especially developing countries.

Because of the relatively low development costs associated with the production of an aircraft derivative, the company is optimistic that it will prove a financially successful venture.

Lockheed says that it has identified a market for 400 L-400 type aircraft in 40 countries.

Although primarily designed for export, the company said that it was also hopeful that, as airline deregulation took shape, there might be a demand in the U.S. for a simple, fuel efficient unsophisticated aircraft like the L-400.

Adapted for passenger use, the L-400 will have Federal Aviation Authority certification for civil use as well as being of obvious military and paramilitary application.

It will be powered by propeller engines built by the Allison division of General Motors and will be priced, Lockheed says, at around 75 per cent of the existing Lockheed four-engine C-130H transport, which currently sells for around \$10m.

Lockheed has had a successful run with its Hercules range, selling around 1,600 of the propellers since the mid-1950s, but the company's recent profitability has been severely undermined by heavy losses on its TriStar L1011 programme.

In the third quarter of last year, net income plunged to \$1.1m and the company expects to fall below its \$55m total in 1978 when its full year figures are published. In the first nine months of last year, the company lost \$137.4m on the TriStar programme.

Rothschild in Mexican venture

By Our Financial Staff

BARON Edmond de Rothschild, head of the French branch of the Rothschilds, yesterday launched an enterprise in Mexico City which will step up European participation in Mexico.

The company, Finvest de Mexico, is a joint European/Mexican venture with a 51 per cent ownership by Mexican interests. President of Finvest de Mexico is Don Bruno Pagliai, one of the country's leading private industrialists.

The 49 per cent foreign participation in Finvest is divided equally between three European groups. The Baron de Rothschild Group, through its fully-owned Banque Privée de Genève, the Edgar de Picciotto Group, through Compagnie de Banque et d'Investissements, through Compagnie Pour le Financement et l'Investissement—Finvest de Genève. The other Finvest is to act as a truly independent investment banking concern, operating as a bridge between Europe and Mexico.

IN WHAT remains otherwise an essentially dull and quiet international bond market, sterling denominated bonds posted gains of up to 11 per cent on the day, though average gain was 3.1 per cent. The GEC 121 per cent to 89 bond finished the day at 94, having risen 11 per cent on the day.

The reason cited for this increase was news of the changes in the UK Inland Revenue's attitude to the taxation of interest on new direct bond issues by UK companies. Trading volume remained thin, however.

In the Yankee sector, First Boston priced the double tranche \$250m issue for the on Tuesday night. The \$150m European investment bank late seven-year tranche carries a coupon of 11.25 per cent and was priced at 99.15 in yield 11.81 per cent on an ABE basis, while the 20-year tranche carries a coupon of 11.25 per cent and was priced at 98.85 to yield 12.06 per cent.

In the Eurobond sector, straight dollar bonds were a fraction up on a day where no great movement in the price of gold or the value of the dollar was reported.

The terms of the latest D-Mark 1.50m foreign bond issue for the Inter American Development Bank, which offers investors an indicated yield of 8.12 per cent, were felt by dealers to be no the generous side. This bond, which includes a bullet maturity of eight-year, carries an indicated coupon of eight per cent and a price of 98.2. These terms caused other secondary market bond prices to be marked down by about 1/4 of a point.

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Lockheed aims for small plane market

By Our New York Staff

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Consolidated Bathurst to raise newsprint prices

BY IAN HARGREAVES IN NEW YORK

THE PRICE of newsprint in North America will rise by 6.5 per cent this spring.

Consolidated Bathurst, the leading Canadian newsprint producer, made a surprise announcement of a 6.5 per cent increase from May. Other newsprint producers are expected to follow suit.

U.S. supplies of newsprint have been very tight recently, with stocks slumping to their lowest level for seven years at the end of last year as demand accelerated.

Newsprint consumers feared that producers would take advantage of this to pass on higher energy and transport costs. Analysts say there should be little difficulty in making the price rise in the market.

Consolidated Bathurst's price for newsprint sold in the U.S. will go from \$418 to \$446 per tonne. The price was last raised by 8.7 per cent, in October.

Canadian mills supply about two-thirds of newsprint used in the U.S.—estimated last year at between 10.2-10.4m tonnes—with most of the rest coming from U.S. producers.

Because of recent shortages, U.S. consumers have been forced to step up imports from costly European sources.

Consolidated Bathurst also said yesterday that it would be imposing even steeper increases on special grades of newsprint. The price of rotogravure newsprint, used in newspaper colour pages, will go up by 10.6 per cent to \$489 per tonne from March.

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Consolidated Bathurst's price for newsprint sold in the U.S. will go from \$418 to \$446 per tonne. The price was last raised by 8.7 per cent, in October.

Canadian mills supply about two-thirds of newsprint used in the U.S.—estimated last year at between 10.2-10.4m tonnes—with most of the rest coming from U.S. producers.

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Companies
and Markets

INTERNATIONAL COMPANIES and FINANCE

Norwegian
smelters
increase
profits

By Fay Gjester in Oslo

TWO LEADING Norwegian aluminium smelting companies have sharply improved turnover and profits for 1979, reflecting good demand and high prices for aluminium and ferro alloys.

ASV, the state-owned group which is Norway's biggest aluminium producer, reports turnover of Nkr 3bn (\$310m) last year, Nkr 400m up on 1978, while group pre-tax profits reached around Nkr 200m (\$20m), compared with only Nkr 16m.

Elkem-Spigerverket (ES), which has interests in mining, manufacturing and engineering, as well as metal smelting, estimates 1979 group pre-tax profits, after depreciation, at around Nkr 250m. This compares with Nkr 83m in 1978 and is the best result the group has achieved since 1972. Turnover rose to Nkr 3.5bn, compared with Nkr 3bn. Profit last year amounted to about 7 per cent of turnover, compared with only about 1 per cent in the three preceding years.

Mr. Karl Lorch, ES managing director, said that the group's aluminium and ferro alloys divisions accounted for most of the improvement in 1979. But he added that results were unlikely to be so good this year.

● Gross subscriptions of bonds and debentures on the Swedish capital market last year fell to Skr 47.49bn from Skr 48.37bn in 1978, the Bank of Sweden reports. Government issues fell to Skr 26.57bn from Skr 29.19bn, including Skr 14.07bn long-term and Skr 7.10bn short-term, compared to Skr 22.2bn and Skr 1.27bn respectively.

● The European Options Exchange (EOX) is to introduce put and call option trading in the shares of the Dutch brewing concern Heineken, as well as put trading in another three stocks. These are the insurance group, Nationale-Nederlanden, the Anglo-Dutch food and detergent group Unilever, and the Belgian oil concern, Petrofina.

Trading in the new options will start on January 28. These listings represent a doubling of the number of put options to eight and bring the number of call options to 33.

A maximum of 500 contracts to Heineken may be traded at any one time, while the limit on the other three shares is 1,000 contracts each.

● The Dutch distillery and drinks group, plans to make a one-for-10 scrip issue and also pay an unchanged F1 1 interim dividend per share on both the outstanding and new shares. The scrip will involve 408,000 new shares bringing the total shares in issue to nearly 4.5m.

The company is expected to have made good earnings progress in 1979. Pre-tax profits rose by 29 per cent in the first half to F1 26.2m (\$13.9m) on sales which were 12 per cent higher at F1 336m.

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Exports help Peugeot to
lift turnover by 15%

BY TERRY DODSWORTH IN PARIS

STRONG DEMAND from export markets helped Peugeot, one of the three companies in the PSA Peugeot-Citroen vehicle group, to lift turnover last year by 15.7 per cent to about FFr 24.7bn (\$6bn).

This improvement in the company's turnover was achieved with only a marginal increase in unit sales, which went up by just 1.3 per cent last year from 849,000 vehicles to 860,000. The performance suggests that the group has been able to recoup on its prices, both through new models and through the new freedom given to industry to fix its prices in France.

Total production, including light commercial vehicles, amounted to 865,400 units, plus some 33,500 which were manufactured by Peugeot's Argentine subsidiary. Of these, 756,250 were cars, with the 305 model

accounting for 246,000 units, the 504 for 238,000 and the 104 for 144,000.

Peugeot also notes that the diesel sector in its vehicle output is mounting steadily, just as at Citroen and, more recently, Renault. Output of diesel vehicles last year, at 155,850 units, accounted for 20 per cent of total production.

On the home market, Peugeot's sales last year amounted to 15.1 per cent of total registrations. Overseas it claims to have been particularly successful in Africa, where, it says, it accounts for some 70 per cent of French vehicle exports.

Its strongest export market is Nigeria, where it sold 52,000 units, followed by West Germany with 48,000 and Britain with 46,000.

Meanwhile, Talbot, another branch of the PSA group, has

announced plans to enter Formula One racing.

Talbot had a disappointing year in France in 1979, and, although final figures are not yet available, the indication is that its sales slipped back by more than 20 per cent.

Terms of the proposed merger between the two French food retailing groups, Docks de France and La Ruche Picarde, were unveiled yesterday. Docks de France will issue one FFr 1,000 convertible bond plus FFr 1,400 in cash for every five Ruche Picarde shares. Before the exchange, Ruche Picarde will pay an interim dividend for the 1979 year of FFr 6 net.

The convertible bonds will bear a coupon of 9.5 per cent and be amortised in seven years, after the grace period. They will offer a gross yield of 11.50 per cent.

● From February 1, banks belonging to the Zurich interest convention are to increase interest rates for commercial loans. Overdraft rates will rise by 0.5 per cent to between 4.75 and 5.5 per cent and interest on fixed advances by 0.25 per cent to 5.25 per cent.

Swiss state
bonds
to be sold
by auction

By John Wicks in Zurich

THE SWISS Central Government is to auction SwFr 300m (\$126m) of 12-year bonds with a coupon of 4½ per cent next week.

This is the first time that federal bonds have been sold by auction, bidders stating the issue price they are prepared to pay for a given subscription. The bonds will then be apportioned to subscribers from the highest bidder downwards until the approximate issue sum is reached.

The final issue price for all subscribers will be the lowest bid before the cut-off. To facilitate subscriptions for small-scale investors, bids of up to SwFr 20,000 per subscriber can be made without a price specification.

Introduction of a tender system means an end to the former method by which commercial banks took over the bonds for sale to the public. Banks will now receive a handling fee, probably of 1 per cent. The Government has already operated auction-type bidding in its recently introduced short-term money-market certificates.

The 4½ per cent coupon of the new issue compares with interest rates for a float of the same amount last autumn of 3½ per cent for a nine-year tranche and 4 per cent for one of 15 years' maturity. Issue prices were then of 99½ per cent and 100½ per cent, respectively.

The switch to the new issue procedure gives the Government more flexibility for its bond issues, the National Bank said yesterday. "This is particularly important in a climate of a rapidly changing capital market." The new auction system gives the Government the opportunity to wait until the last moment to fix the issue price.

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SBC absorbs
subsidiary

By Our Zurich Correspondent

SWISS BANK Corporation, of Basel, has absorbed its subsidiary, Bank fuer Hypothekarkredit. The subsidiary, set up in 1960 to specialise in savings and mortgage business, had always been integrated in SBC's operations and had no counter business of its own.

The profit increase was more than accounted for by a lower tax provision. Pre-tax earnings actually dipped slightly, from A\$46.3m to A\$45m, but tax was reduced from A\$16.1m to A\$13.3m. Earnings rose 13.6 per cent in the first half but slowed in the second half to 5 per cent.

The directors said that the snack foods division earned an excellent profit from a combination of greater market penetration and improved manufacturing efficiencies, the latter the result of a continuing rationalisation programme.

The meat processing division enjoyed another strong year, mainly because of the rationalisation of abattoir operations, although a reduction in the number of cattle for processing in the second half inhibited profitability. The traditional tobacco products division maintained its profits despite a lack of market growth, intense competition, and the impact of unrecovered inflationary costs.

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Gonzales Clay Corporation
a subsidiary of

English China Clays Ltd

has acquired
Southern Clay Products, Inc.

We acted as financial advisor to English China Clays Ltd

Schroders

J. Henry Schroder Corporation
One State Street, New York, New York 10004General Refractories
Companyhas sold
Ohio Lime Companyto a subsidiary of
The Steetley Company LimitedWe initiated this transaction and acted as
financial advisor to General Refractories Company

Schroders

J. Henry Schroder Corporation
One State Street, New York, New York 10004

Jubilee sales boost Kaufhof

BY GUY HAWTIN IN FRANKFURT

KAUFHOF, West Germany's second largest store group after Karstadt, reports higher sales for 1979, its 100th anniversary.

Helped by special jubilee sales, group turnover last year rose by 8.2 per cent from 1978's DM 7.38bn to DM 7.98bn (\$4.65bn). Allowing for a 3.7 per cent increase in sales space, turnover growth was still a healthy 7.5 per cent.

During 1979 sales at Karstadt rose by 9.4 per cent to DM 9.2bn, or by 3 per cent in real terms adjusting for new selling space.

A breakdown of Kaufhof's turnover shows sales for its 87

department stores up 7.1 per cent to DM 5.89bn. This is well ahead of the growth rates reported by most of the Federal Republic's department store chains.

At the 104 self-service department stores operated by the Kaufhof subsidiary, sales expansion was even stronger. They rose 9.2 per cent to DM 1.64bn.

The group's travel operations also showed above average growth. Turnover increased by 25 per cent from 1978's DM 231m to DM 351m.

THE SATISFACTORY business

development in West Germany's chemical sector last year was again underlined by the preliminary results of the Munich-based, Sued-Chemie. After two years of stagnation, 1979 brought the company a notable—but so far unspecified—profits improvement. Turnover rose by 12 per cent to around DM 200m, with export sales increasing slightly faster than those at home.

All sectors contributed to the sales boost, but inorganic special products showed the most marked increase. Plant investment totalled DM 10.5m, against DM 7.3m in 1978.

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VALIN POLLEN

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London WC1B 5AL
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To: Dewe Rogerson From: VALIN POLLEN
Exel Advertising
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Walter Judd Date: January 1980.

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Because without new ideas, we may find Saatchi's in Threadneedle Street before they get to Madison Avenue!

New funding
by ENEL

ROME—The Italian state electricity utility, ENEL, plans to tap the domestic capital market shortly with a bond issue along the lines of its funding in July which had a 12 per cent coupon and a seven-year maturity.

The amount of the ENEL issue has yet to be finalised, but it is unlikely to be as high as last July's L600bn (\$570m) issue. The market could find such a large issue difficult to absorb, bond dealers in Rome suggested yesterday.

Last year, net bond issues dropped to around L13,000bn, half the level of 1978, in part reflecting a fall in state bond issues and a drop in issues by private borrowers because of poor market conditions.

Reuter

Par for Amro issue

The F1 150m bond issue by Amsterdam - Rotterdam Bank, one of the big three commercial banks in Holland, has been priced at par, Reuter writes from Amsterdam. The offering is over 20 years with a coupon of 8½ per cent.

Aer Lingus purchase

Dunfey Hotels, a wholly-owned subsidiary of Aer Lingus, the Irish airline, is part of a consortium which acquired the Shoreham Hotel in Washington for \$35m, writes Reuter from Washington.

According to Dunfey, William Zeckendorf Jr, a New York property magnate, is the principal investor. Dunfey holds an equity interest and will operate the hotel.

Dunfey will spend \$5m to renovate the hotel and another \$10m over the next few years.

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INTL. COMPANIES & FINANCE

Sharp plans expansion of semiconductor capacity

BY YOKO SHIBATA IN TOKYO

SHARP, THE leading Japanese manufacturer of electric appliances, plans to spend ¥30bn (\$127.8m) on domestic capital investment in fiscal 1980, which starts in April. The company envisages a similar capital outlay in the current fiscal year.

The bulk of capital investment is directed towards increasing capacity in semiconductors. The rest is aimed at expanding capacity in the production of rapid-growing lines, such as home-use video tape recorders (VTR), electronic translating machines and electronic cash registers.

Following major investments overseas in fiscal 1979, including the construction of a manufac-

turing plant in the U.S., and new sales offices in West Germany and the UK, Sharp's overseas capital investment plans for fiscal 1980 have been reduced to ¥5bn from ¥8bn in the previous year. Overseas investments for fiscal 1980 include an expansion of the production line for colour TV sets and microwave ovens in Memphis, Tennessee, and the construction of a black and white TV manufacturing plant in Malaysia.

Out of the ¥30bn of domestic capital outlays, the company plans to spend ¥11bn on the construction of a third semiconductor factory in Temri City. In view of the favourable sales outlook many electronics

manufacturers have made major investments to expand their production of semiconductors. Semiconductor output by the industry is expected to grow by 32.7 per cent in 1979 and by a further 25.2 per cent in fiscal 1980, according to Japan's Electric and Electronic Industries Association.

With a capital outlay of ¥2bn, the company plans to increase production capacity of VTR's to 25,000 sets monthly from the current 20,000 sets. Sharp also plans to build a new factory specialising in the automatic manufacture of electronic calculators, along with new manufacturing lines for electronic translating machines and cash registers.

Faber Merlin adds to East Johore interests

BY WONG SULONG IN KUALA LUMPUR

FABER MERLIN, the Malaysian hotel and property group, announced yesterday that it is buying up the entire equity of the Sri Mersing Hotel as part of its effort to expand its hotel facilities in the newly-developed tourist area in East Johore state.

It will acquire the entire 650,000 shares of Sri Mersing for 900,000 ringgit (US\$415,000), to be satisfied by the issue of 900,000 new Faber Merlin shares with a nominal value of 1 ringgit.

Faber Merlin said that the purchase of Sri Mersing would complement the facilities available at the Merlim Samudra Hotel on the resort island of Tioman, opposite Mersing Town.

The newly-built Sri Mersing Hotel will be expanded from its present 94 rooms to 100 rooms, and will be renamed Mersing Merlin Inn.

Apart from Sri Mersing, Faber Merlin operates six leading hotels in Malaysia, and is building an international class hotel at the Desaru tourist complex, just south of Mersing.

For the year ended June, 1979, the group made a pre-tax profit of 5.4m ringgit, and its shares closed yesterday at 1.2 ringgit.

Malaysia Rice Industries (MRI), the once languishing Malaysian quoted company which is now under the control of the See Hoy Chan group, has announced the purchase of a 1,700-acre palm oil estate for 8.76m ringgit (US\$4m).

The estate, which is in the Dindings district in Perak State, is on freehold land owned by Telok Plantations.

Malaysia Rice Industries said yesterday that the plantation was expected to yield a pre-tax profit of some 800,000 ringgit for the first year, but better earnings could be expected with sound management, increasing maturity and improved yields.

The See Hoy Chan group, one of Malaysia's largest rice merchants, took control of MRI in 1978 through a share swap. MRI has since entered the real estate development field, and made a pre-tax profit of 5.6m ringgit for the year ended last June.

Bahrain OBU market shows slight fall

By Mary Frings in Bahrain

BAHRAIN'S OFFSHORE banking market dipped slightly in November, according to latest figures compiled by the Bahrain Monetary Agency (BMA). Total assets fell 2 1/2 per cent against the previous month, from U.S. \$28.3bn to \$27.6bn. Two newcomers to the market, Arab African International Bank and Arab Latin American Bank, were reporting to the BMA by November, bringing the total number of Offshore Banking Units in operation to 52.

There was some nervousness in the market, due to fears of military confrontation between the U.S. and Iran, and to disturbances in Saudi Arabia, but leading banks said there had been no significant withdrawal of funds. Some attributed the decrease to normal fluctuations in the business cycle, while Bank of America, Chase, and National Commercial Bank of Saudi Arabia said their figures had maintained their level and Banque Arabe International d'Investissement reported a 15-20 per cent increase.

India-Malaysia Textiles in profit

AFTER FIVE successive years of losses, India-Malaysia Textiles has reported a small profit for the first half of the current financial year, thanks to good sales, writes Wong Sulong from Kuala Lumpur.

For the six months ended September 1979, the company made a pre-tax profit of 21,000 ringgit (US\$9,700), compared with a loss of 634,000 ringgit last time.

Sales rose by 34 per cent to 8m ringgit (\$3.7m).

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ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume, retail sales value (1971=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unemp.	Vacs.
1978	111.3	104.3	103	110.7	265.6	1,389	213
3rd qtr.	111.3	103.1	103	111.7	272.0	1,349	220
4th qtr.							
1979							
1st qtr.	109.5	102.0	97	110.2	276.4	1,351	234
2nd qtr.	115.5	108.1	107	116.7	297.2	1,299	236
3rd qtr.	112.9	102.9	101	118.1	308.5	1,289	245
June	117.5	110.3	111	120.3	309.2	1,289	262
July	116.3	107.5	96	108.7	294.4	1,279	253
August	111.7	101.3	104	111.5	284.3	1,267	246
Sept.	110.7	99.8	101	110.8	288.5	1,262	247
Oct.	113.0	104.4		113.8	317.3	1,282	234
Nov.						1,294	219
Dec.							

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mfg.	Textile etc.	Hous. starts
1978	108.4	99.0	122.7	100.2	99.2	103.7	23.9
3rd qtr.	106.9	96.9	124.0	96.9	99.0	102.4	28.2
4th qtr.							
1979							
1st qtr.	105.2	95.6	124.3	98.1	96.3	99.1	12.9
2nd qtr.	108.1	100.0	133.4	103.5	110.7	102.5	21.3
3rd qtr.	105.2	95.6	132.2	94.2	106.1	100.9	20.7
May	109.0	105.0	132.0	104.0	107.0	103.0	28.0
June	111.0	106.0	137.0	105.0	115.0	105.0	25.4
July	108.0	102.0	136.0	102.0	115.0	101.0	22.6
August	104.0	94.0	130.0	92.0	92.0	99.0	13.2
Sept.	103.0	91.0	131.0	93.0	107.0	103.0	21.2
Oct.	105.0	102.0	130.0	99.0	97.0	99.0	20.9

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance, current balance (£bn); oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US\$bn
1978	124.8	114.9	-0.367	+0.299	-501	106.1	16.55
3rd qtr.	124.8	113.3	-0.039	+0.614	-490	106.9	15.77
4th qtr.							
1979							
1st qtr.	109.7	117.1	-1.579	-1.207	-234	107.6	15.78
2nd qtr.	135.0	130.9	-0.714	-0.607	-227	107.5	21.69
3rd qtr.	132.4	129.3	-0.397	-0.211	-166	108.4	22.18
July	133.3	128.1	-0.074	-0.012	-44	109.2	23.49
August	131.1	131.1	-0.176	-0.114	-130	108.4	22.30
Sept.	132.8	128.3	-0.147	-0.085	-8	107.1	22.75
Oct.	129.7	133.0	-0.339	-0.289	-85	106.1	22.49
Nov.	133.3	125.0	-0.056	-0.006	-12	105.7	22.72
Dec.							

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE %	BS inflow	HP lending	MIR %
1978	17.2	8.1	4.2	+ 572	746	1,559	10
3rd qtr.	14.9	11.9	8.6	+1,774	878	1,584	12
4th qtr.							
1979							
1st qtr.	7.6	9.3	32.6	+1,524	777	1,583	13
2nd qtr.	9.7	17.2	28.5	+2,706	777	1,868	14
3rd qtr.	11.5	9.9	34.2	+2,414	933	1,879	14
July	7.1	14.2	14.1	+ 439	229	630	14
August	6.1	12.4	29.8	+1,057	283	674	14
Sept.	11.5	9.9	13.2	+ 325	411	616	14
Oct.	15.7	15.1	14.6	+1,549	544	663	14
Nov.	6.3	13.1	19.1	+1,187	134	681	17
Dec.							

INFLATION—Indices of earnings (Jan. 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (Dec. 1971=100).

	Earn. index	Basic matls.	Wholesale mfg.	RPI	Foods	Comdty.	Strig.
1978	133.2	144.9	154.8	199.2	206.2	252.74	62.4
3rd qtr.	136.4	147.1	157.3	202.6	208.0	257.69	62.7
4th qtr.							
1979							
1st qtr.	144.2	153.4	161.6	208.9	218.8	268.83	64.9
2nd qtr.	147.3	163.3	168.0	216.5	225.2	283.55	67.4
3rd qtr.	154.1	169.9	176.4	231.1	231.9	301.66	71.0
July	155.6	168.1	174.8	229.1	231.2	278.92	71.9
August	153.3	169.1	176.3	230.9	231.8	290.04	71.4
Sept.	155.8	172.5	178.2	233.2	232.6	301.66	68.8
Oct.	157.8	178.1	184.3	233.6	234.8	291.34	69.9
Nov.	181.6	185.1	187.7	237.7	237.0	297.22	69.6
Dec.		186.7	183.0			295.13	70.3

* Not seasonally adjusted.

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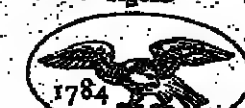
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FINANCIAL TIMES SURVEY

Thursday January 10 1980

ARAB INSURANCE

For all its promise, the Arab world is proving less of a bonanza for Western insurance institutions than was once expected. Some of the disappointment stems from the attitudes of the prevailing Moslem culture, whose dictates run counter to much of Western thinking. It remains, however, an area which few insurers can afford to disregard.

Bridge between two worlds

By James Buxton

THIS YEAR promises to be a particularly difficult one for insurance in the Arab world. Rising tension and political uncertainty in the Gulf and Saudi Arabia—once regarded as an island of relative tranquillity—is causing gloomy reassessment of risks by insurers who have not found the area as lucrative as they had expected.

The Arab boycott of Egypt has removed from the slowly growing intra-Arab reinsurance network one of its most experienced participating States. The Arab world's dependence on London and other overseas markets was shown up last year in the row between the Gulf States and Lloyd's of London over the imposition of war risk surcharges for Gulf voyages. This is a dependence that the Arabs find increasingly hard to accept.

The structure of the insurance industry in the Arab world ranges from total State control in countries like Algeria and Libya to the uncontrolled explosion in the United Arab Emirates, where there may be as many as a hundred companies operating in an unregulated market. In all other Arab countries insurance is regulated to a greater or lesser degree, and in Egypt, Syria, Iraq, Algeria, Libya and South Yemen it is nationalised, while in Kuwait, Sudan, Morocco and other countries it is in differing degrees under local ownership.

In Saudi Arabia, which is the biggest market in the region, no insurance companies can be registered locally but all have large, usually majority, Saudi participation.

This somewhat quaint arrangement is the compromise that the Saudi Government has reached on the difficult question of the attitude of the Koran, the Moslem holy book, to insurance. Theoretically it is taboo because of the prohibition of usury and because it is perceived to be wrong (as well as pointless) to take a gamble on God's will. In practice, the religious establishment, or Ulema, has not proclaimed its opinion and meanwhile the Government insures its own projects, while consciousness of the value of insurance is gradually growing, as it is throughout the Arab world.

But life assurance has been inevitably slow to catch on in the Arab world, partly because the idea is simply very alien to the Arab mind but partly

because, being a function of the amount of personal wealth a man has, there are relatively few individual wealthy people in the Arab world.

The Arab world has provided the most rapidly growing insurance market in the world since the 1973-74 oil price rise. According to Dr. Mustafa Rajab of the Iraq Reinsurance Company, premiums received in 1978 in direct insurance amounted to \$1.58bn, and with the addition of premiums presumed to have been earned in Saudi Arabia and Lebanon the figure could be as high as \$3bn. Over the four years from 1975 to 1978 premium income grew by an average of about 20 per cent.

Frighteningly

But the Western companies which became involved in some of the Arab countries have generally found the market a great deal less profitable than they had hoped. Too much competition, rate-cutting, and the operations of fly-by-night companies have compounded problems in Saudi Arabia and the UAE, and the insurers underestimated the effects of port congestion in piling up insured cargoes until aggregate values became frighteningly big.

But the main problem lies in the nature of the Arab insurance market itself; there are a number of very large risks—the big industrial projects and oilfield installations, for example—but only a trickle of broad-

and-butter premium income from a wide spread of low-risk business such as motor, fire and accident, on which insurers depend for cash flow.

This has been coupled with the bad loss experience. Several disasters occurred over the past six years in hydrocarbon-producing installations, of which the most spectacular was the loss of the Umm Said gas liquefaction plant in Qatar in 1977. The Arab world did not turn out to have the mix of large premium income and few major claims that had been rather unrealistically hoped for when the boom began.

The size of the big risks has made reinsurance particularly important, and the Arab countries have had to accept that a large proportion will be placed abroad because of the lack of reinsurance capacity in the Arab world, and, to a lesser extent, because of lack of expertise. As long ago as 1964 the General Arab Insurance Federation (GAIF) was founded to create an insurance common market which would enable a large proportion of premium income to be retained in the Arab world. It encouraged individual countries to set up their own reinsurance companies to handle part or all the reinsurance in the country: Algeria, Egypt, Iraq, Kuwait, Morocco and Sudan did so.

But its most important step was to establish five reinsurance pools, each managed by a member company in a different state, to handle reinsurance in the categories of aviation,

engineering, fire, marine cargo and marine hull. The aim of allowing the direct insurers to spread their risks evenly within the region and so increase retentions has been only partially achieved. Too few insurers in too few countries have been prepared to place their reinsurance with them and to accept reinsurance from them. The lack of trust in the pools has hindered the growth of the whole Arab insurance business.

Now this slowly growing Arab reinsurance market has suffered a further blow. The most successful pool, the aviation pool, was run by the Misr Insurance Company in Egypt. Under the requirements of the Arab boycott of Egypt which followed its peace treaty with Israel the pool has been moved to Morocco, where it is run by the Société Centrale de Réassurance. Arab insurers and reinsurers have been asked by GAIF to allow treaties of reinsurance they have with Egyptian concerns to lapse when they come up for renewal.

Weakened

It is too early to say how serious an effect the split with Egypt will have. Theoretically the move should have little effect on either Egyptian or other Arab insurers' relations with outside reinsurers, though outside companies may be reluctant to place reinsurance in Arab markets.

The move has weakened the Arab market and has not helped its lack of balance—one of its

main weaknesses at present. The small size of the Arab reinsurance market was shown up by the Umm Said disaster in 1977 because much of the loss fell on a small number of Arab reinsurers. The Arab reinsurance market has had to contend with the fact that the boom in the Arab world has taken place while the rest of the world economy has been in relative recession—so there was that much less reinsurance business coming to the Arab market from elsewhere.

If the GAIF dispute is a setback to the Arab insurance industry's ambitions, Lloyd's of London's action last summer in attempting to impose war risk surcharges on Gulf voyages was seen in the region as an affront to Arab nationalism—and as the result of an alarmist and ill-informed assessment of the risks in the Gulf. It followed warnings by Sheikh Yamani, the Saudi Oil Minister, of the possibility of terrorist attacks on shipping in the Hormuz Strait, and a scare in the area provoked by a U.S. intelligence warning.

After delegations from the Arab insurance industry had held talks with Lloyd's the decision to increase the premium was deferred. But in late November, after the taking of the U.S. hostages in Tehran led to tension between Iran and the U.S., this compromise was overtaken by events and additional premiums for voyages to the Gulf were proposed by Lloyd's. Ship owners wishing to be covered against their ships being blocked or trapped in the

Gulf have to pay an additional premium.

There seems little doubt that the Lloyd's incident will make Arab States more anxious to bring into the Arab world the insurance of ships which are in any sense under their control. There are fears that war risk cover could be lost to the London market already the Kuwaiti Government covers the war risk insurance of the Kuwait national tanker fleet.

The next step is to create an Arab War Risk Hull Pool: it was decided at a recent conference in Baghdad to establish it by July, 1980, and meetings are to be held in March with Gulf Government representatives to persuade them to give the idea their positive support.

Tuned

The Iranian revolution and the effect it had on construction contractors there has made companies far more concerned about political risk and more inclined to take out insurance against such things as the unfair calling of on-demand bonds as a result of political action or developments. While Britain's Export Credit Guarantee Department and other national export credit agencies provide cover, more finely tuned policies can be arranged through the commercial market.

But there is a limit to what the insurance industry can do to satisfy bond requirements through guarantees. Over the past six years political risk cover has become much more

expensive and rates for Saudi Arabia have increased by 20 per cent following the seizure by terrorists of the Grand Mosque in Mecca last November.

Last year Britain's High Court had to decide whether the events in Beirut in January 1976 constituted civil war or not. Spinney's, a super-market owner, claimed that Royal Insurance should pay a claim for the looting of its supermarket in West Beirut on the grounds that what was happening was not civil war but extended riots and as such not covered by the exclusion clause in the insurance policy.

But in November Mr. Justice Mustill ruled that while the events did not constitute civil war, hostile or warlike operations, rebellion or insurrection, they did come within the expression "insured powers" and did constitute a civil commotion. The outcome, which could be subject to appeal, may disappoint other companies with big insurance claims resulting from the troubles in Beirut.

The Arab insurance world therefore begins 1980 with its indigenous reinsurance market weakened and with Western insurers continuing to show disappointment that the region has yielded neither good profits nor political stability. Yet on a personal level, relations between the Arab and the Western insurance industries remain warm and this may neutralise the effect of some of the harsher rhetoric.



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ARAB INSURANCE II

National companies dominate Gulf region

This article discusses the insurance scene in Kuwait, the United Arab Emirates (UAE), Qatar and Bahrain.

KUWAIT

IT WAS appropriate that Kuwait should have led the protest against Lloyd's of London's decision last July to impose a war risk surcharge premium on Gulf voyages. Not only is Kuwait the most important Arab ship-owning State in the Gulf, and headquarters of the multi-State Arab Maritime Petroleum Transport Company; it has the strongest and most mature insurance industry in the region.

Kuwait, generally regarded as one of the best regulated insurance markets in the region, had its first locally owned concerns in operation in the late 1950s and the tight net-

work of regulations, which have been emulated in other countries, was imposed in 1962. The 1962 legislation also froze the number of insurance companies operating in the State, so that those established were able to build up their strength without excessive competition as rising oil revenues gave Kuwait spectacular economic growth.

The three biggest insurance companies in Kuwait are all locally owned—Kuwait Insurance, Gulf Insurance and Al Ahlia. All were operating in the 1960s. A fourth Kuwaiti company, Warba, began operating in 1976, with the Government taking a shareholding. There are about 17 non-Kuwaiti

insurance companies operating in the State.

Gross premiums for the four Kuwaiti companies amounted to KD 40m in 1978. In terms of gross premiums motor and general insurance was the largest sector in that year, producing a premium income of KD 20m, but it was not the most profitable, with the profit margin 6.8 per cent of premium income compared with a figure of 8.4 per cent for fire.

Marine insurance became more profitable in Kuwait in 1978, with a profit margin of 6 per cent, after several poor years as a result of port congestion.

UAE

Perhaps the most telling point about the insurance scene in the United Arab Emirates is that no one can

tell you just how many companies and brokers are operating in the country. Official statistics researched two years ago and only recently published show that there are some 69 institutions working in the field, but local industry sources believe there may be as many as 104 companies operating in the UAE.

The UAE is nevertheless one of the most prolific insurance markets in the Gulf area, second only to Kuwait. Premium income has gone from \$88m in 1977 to an estimated \$135m this year, though local insurance men believe this represents only half of the insurance placed in the UAE, with the other half being arranged through local brokers and placed directly outside.

Yet like the UAE banking scene it is a market which experiences fierce competition,

not all of it healthy, with some of the newer and smaller members in the insurance community attempting to enter the market by undercutting rates and taking short cuts on re-insurance treaties and generally over-extending themselves on risks.

There is considerable concern in the industry about the solidity of some of its members, and it has already had its failures, when a locally established firm in Dubai was forced to go into liquidation last year.

A few months later, the growing lack of confidence about such operations is a prime concern of the UAE Insurance Association, an informal grouping of insurance companies, representatives and local and foreign brokers. However, the Association has fallen victim of the rivalry which exists between the two major emirates, Dubai and Abu Dhabi, and unfortunately is not supported by the two major forces in the UAE insurance market, namely the Abu Dhabi National Insurance Company and the Al Ain Al Ahlia Insurance Company.

All participants in the UAE insurance market now realise the need for tighter Government legislation and corporate self-control to promote greater stability and ultimately protect the policy holder. Yet the two major Government companies have hesitated to support the Association because they feel it is a "Dubai" institution and because they are against any establishment of common motor tariffs, which was one of the objectives of the Association.

The UAE Insurance Association will remain weak until the two semi-State companies can be drawn into it. They do after all account for more than 60 per cent of the market in the UAE (in 1978 they absorbed

\$68m of premiums out of a total of U.S. \$112m). They are considerably aided by the official bias of the Abu Dhabi Government towards them, particularly in the marine field, which forms the largest part of their portfolios.

The Abu Dhabi National Insurance Company (ADNIC) also handles all the insurance for the oil companies operating in the emirate, and, more important, the growing giant, the Abu Dhabi National Oil Company, which is presently engaged on \$7bn of oil and gas projects. ADNIC is the largest company in the UAE, with an estimated \$51m of premiums in 1979. Al Ain Al Ahlia is the second, trailing at \$11m, with the rest of the local insurance companies left to do battle in the private sector.

Even the largest of its members in the insurance community concede that there could be failures looming up in the future, particularly if new companies continue to come into the UAE. Although there has been a massive boom in the field in the last five years the predominance of the Government semi-State companies, the ILL which will follow the completion of the major oil and gas projects, and the high establishment costs may deter new entrants to the market, it is hoped. However, the insecurity felt about the local and Arab companies will continue and the need for more regulatory Government interest will grow.

A draft Bill regulating the operations of insurance companies has in fact been in existence for over four years now, but the lack of one voice to promote it, and the normal slow passage of legislation through the Federal machinery, mean that it may be another four years before it is passed. In brief, the Bill provides that all

insurance companies—local or foreign—operating in the UAE must have a minimum capital base of U.S.\$13m (at present local companies only have to have a \$270,000 capital base, Arab firms \$1.2m).

Another clause will oblige all brokers in the country to channel their business through the locally registered companies instead of placing directly outside. Such a move could almost double the premium market in the country, depending on the pace of development.

The Association believes the Bill is not strong enough and points out that it is not as wide as legislation prevailing in Lebanon or even in Oman, which recently tightened up on the insurance field. The semi-State companies say nevertheless it is a start, and that the important thing is to get this Bill through as soon as possible. However, both ADNIC and the Al Ain are now attempting to speed up the process by first getting the Bill accepted by the Abu Dhabi executive council, which is an easier task than getting it approved by the Federal Government.

QATAR

In Qatar things are simpler. The Qatar Insurance Company (QIC) has something approaching a monopoly since the Government places all its business with it—including big premium business relating to oil and gas installations. When the Umm Said gas liquefaction plant was completely destroyed in April, 1977, the loss—reinsured—was nearly ten times the QIC's premium income of the previous year. While QIC takes about more than two-thirds of total premiums, there are five other insurance companies operating in Doha.

BAHRAIN

The development of "insurance-consciousness" in Bahrain has been matched by the rapid growth of national companies, and although there are only four of them out of a total of 17, they have won an estimated half share of the market.

The company handles all classes of insurance, including life. Premium income in 1978, of which motor business accounted for 60 per cent, was \$5.8m, and this has increased to approximately \$6.6m in 1979. BIC made a 1978 profit of over \$300,000, and is confident of showing an improvement in its latest balance sheet, despite liability for what promises to

be the biggest fire loss on the island.

In August, at a time of political unrest, the big modern Awal Cinema was gutted by an unexplained fire in the early hours of the morning, and first indications are of \$5.8m of damage.

It has become standard practice in the Gulf for national and pan-Arab undertakings to insure with Gulf companies. Thus the insurance for the OAPC-owned Arab Ship Repair Yard dry dock is carried by a consortium, led by BIC, of the national companies is each of the seven shareholding States. Annual premiums from ASRY add up to over \$US1.3m, and these are spread among 23 companies according to their country's stake. The Bahrain group shares just under 19 per cent.

Bahrain Kuwait Insurance Company (BKIC) opened in September, 1976, with a capital of \$US2.6m, of which 40 per cent was subscribed by four Kuwaiti insurance and reinsurance companies. The capital is now to be increased to just over \$US3m, to take in a 25th Kuwaiti company, Warba.

The only 100 per cent Bahraini general insurance company is Al-Ahlia, which opened in 1976 at about the same time as BKIC. The founders were 20 Bahraini businessmen and three public shareholding companies, including the National Bank of Bahrain.

Al-Ahlia handles all classes of insurance except life, believing itself as yet too small to employ an actuary and enter a highly specialised field. The 1978 premium income of \$3m is expected to show a 15 per cent growth in 1979, with about the same percentage increase in the \$450,000 profit.

Each of these local insurance companies is in competition, not only with the others but with the foreign-based companies. Nine of these are members of the so-called "tariff group," governed by the Accident Insurance Association of Bahrain, chaired by the Bahrain manager of Guardian Royal Exchange (GRE).

The most prominent independent is Norwich Winterthur, which left the tariff group recently and has begun an aggressive campaign to increase its share of local business, particularly in coverage for motor vehicles and household goods.

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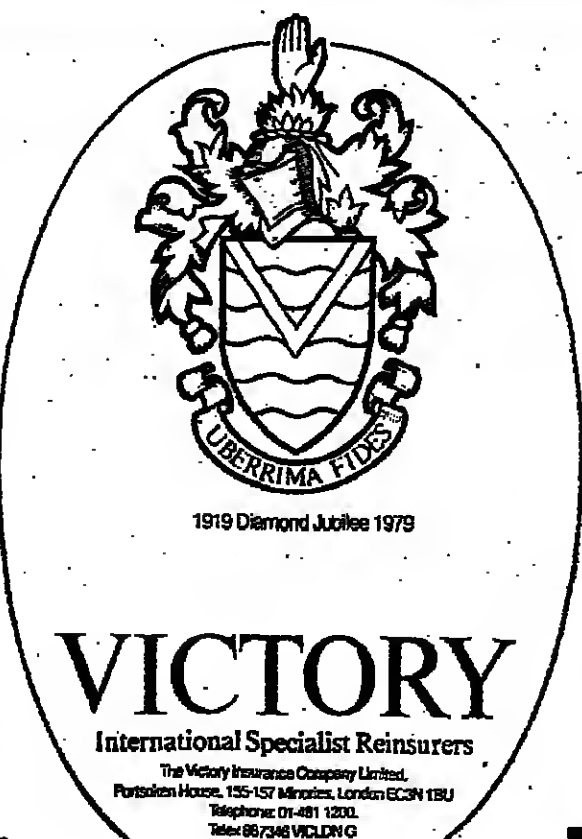
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Hull and cargo cover

THE EXPANDING oil-based economies of the Arab world are providing a thriving insurance market for marine and aviation underwriters. The tanker fleets taking the oil out and the cargo vessels taking goods into the countries require insurance for the ships themselves and the cargoes they contain.

It is difficult to generalise about insurance in the Arab world, covering as it does a variety of countries in various stages of development. But in general the marine hull market can be divided into two. There are the large national fleets and the local trading shipping lines with one or more vessels.

Insurance in the Arab world has a strong national bias. The risk has to be placed in the first instance with domestic insurers, which then reinsure on the world insurance markets. This certainly applies to the national fleets, which syndicate the insurance risk to Arab insurers under treaty.

Here the marine risk is fed out to members of the Arab Insurance Federation. Member insurers of this Federation are offered a participation in the risk on the basis of automatic facilities. The members absorb part of the risk and the Federation offers facultative protection on the rest and arranges the reinsurance facilities.

The operation of marine hull risks in the Arab world is not adequate because of severe competition, but this is a world-wide problem. Underwriting experience has been varied, with some spectacular disasters, the latest being the tanker Energy Transportation which blew up last month in the Straits of Hormuz.

The cargo insurance market is much more free in the arranging of insurance in world markets. The cover is usually provided on the goods right through to the final destination and not just while at sea or being unloaded. There were problems of congestion at the docks and goods deteriorating—with Saudi Arabia being particularly affected by this problem.

Alleviated

But expanding dock facilities and the use of contractors to clear accumulation of goods have alleviated much of the insurer's problems. Roads are being improved to handle the increased traffic but theft losses can still be a problem. A change in the type of container is being considered by added side doors so that goods can be inspected. Again this is a highly competitive market and rates are under pressure.

One particularly thorny problem facing UK underwriters concerns the imposition of additional premiums to cover war risks. War risks are insured separately and the extra premium charged is varied according to current political conditions. Last summer UK underwriters imposed an extra premium for the Gulf when it was felt that the possibility of action by Palestinian guerrillas against shipping was not unlikely.

This caused a considerable

furor among countries in the Gulf, headed by Kuwait, and there was talk of taking the insurance away from the London market. In the event the extra premium was removed last September. But it was reimposed last month in the wake of the troubles in Iran, a move that aroused no comment.

The war risks premiums for cargoes were not altered. Nevertheless this is a politically sensitive subject and one where underwriters need to act cautiously in a politically unstable area.

Every Arab country has its own national airline and the hull risks are insured locally in the domestic market. The airlines of Syria, Iraq and Jordan and those of Algeria, Tunisia, Morocco, Libya and Mauritania are combined in an insurance package to cover the aviation risks. But the risks have to be reinsured outside the Arab world, much of it in the London market.

Varied

Arab airlines have a varied record of insurance experience, though there have not been any recent major catastrophes. The standard of operation, though not up to European or North American standards, is good—and better than in South America.

Aviation premium rates, like marine, have been subject to pressure because of competition, a world-wide problem despite the number of major crashes that have occurred recently. But there are moves to harden aviation market rates.

Some Arab countries, particularly Egypt, Kuwait and Iraq, have comparatively well developed domestic insurance industries, though nowhere near approaching London, European or North American standards. They all suffer from a chronic shortage of capacity that imposes on them the need to reinsure the major part of any risk outside the Arab area. Yet all countries legally insist that insurance risks are placed locally in the first place.

Arab insurers have endeavoured to increase capacity and stop the movement of currency outside by forming reinsurance pools. There is both a marine pool and an aviation pool. The objective is to spread the insurance risk more widely over the Arab countries and prevent currency outflows. National reinsurance companies are also being developed, with a statutory duty to reinsure part of the risk with these companies.

But the size of individual risks under modern conditions are becoming massive; the cost of a single supertanker is measured in hundreds of millions of dollars. These risks have to be spread world-wide and the setting up of reinsurance pools and companies is only adding one further tier to the operation. The top tier is still reinsurance with the world insurance centres, and the size of this tier is not decreasing, at least at present. London and other world insurance centres are very much involved in insuring the Arab world.

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ARAB INSURANCE III

Contractors faced with harsh terms

WITH RECESSION looming at home the attention of Western contractors is focused as much as ever in the Arab world and especially the oil-rich States there.

Since the price explosion of 1973-4 the latter have largely built up their basic infrastructure. To combat inflation and ease the social strains arising from the rapid development some have also sought to curb expenditure, especially Saudi Arabia and others with a weak and traditional industrial demographic base. In no way will the doubling of per barrel receipts over the past year result in the kind of spending spree witnessed five years ago.

But the region remains the world's construction market for the world's construction business, with recorded contracts of over \$40bn awarded last year. At the same time it remains as difficult and problematical as ever.

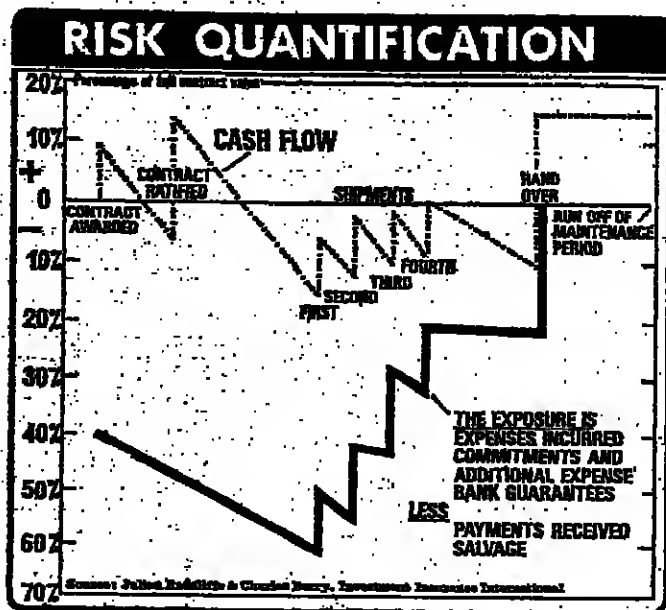
For a work-hungry industry the intensity of the competition is in direct ratio to the relative wealth of the region. It is still very much a buyer's market, and as a result the Arab oil producers have been able to dictate harsh terms of contract.

Invariable

Fixed price sums remain the almost invariable rule, with the notable exception of projects handled in Saudi Arabia by the U.S. Corps of Engineers and the Arabian American Oil Company (Aramco). Payment delays are still common, with no reimbursement for the cost of interest incurred. There has been no relaxation of the insistence on bid and performance bonds, together with guarantees in respect of advance payments, payable on demand with no defence for arbitrary and capricious calling. No provision is made for independent arbitration.

Now, in the wake of the Iranian revolution there is heightened apprehension about political risks. Because of competition, margins have been cut more than ever, making it harder for contractors to pay higher insurance premiums. Fears about political risk in the Arab world have existed since 1949, when Colonel Qaddafi's regime came to power in Libya and called in the guarantees made on behalf of certain Italian companies, not for failure in performance but for reasons relating to the manner in which the contracts were originally concluded. These years have, however, been largely untroubled by a decade when there was no major abuse of "onerous contract" requirements imposed on contractors.

Nevertheless, British companies were reminded of their vulnerability in 1977 by a case that may not have been politically inspired but was sobering. A Libyan importer had exercised its option on an unconditional guarantee for rather more than £50,000 that Edward Owen Engineering of the UK was liable for under the terms of a contract to supply greenhouses. The Court of



Appeal dismissed an injunction by the company to restrain Barclays Bank International from paying out the money. More recently the Libyan Government capriciously called a guarantee supplied on behalf of a subsidiary of Simon Engineering costing the ECGD £117,000 in the process.

As a hazardous country Libya has long been regarded as being in a category of its own. Non-Arab Iran has committed a number of defaults since the Revolution. Because of it the Export Credit Guarantee Department has so far paid up \$30m for political risk insurance and a similar liability in prospect out of a total exposure of \$900m. In general, experience in Iran has led to a more searching analysis of the whole question.

All major Western governments give cover against the unfair calling of on-demand bonds as a result of political action or developments. The ECGD has recently revised its construction works policy which gives extensive protection against losses arising from political action or developments. Depending on the period of exposure and the country concerned, with each placed in one of four standard categories, the premium varies from 1.5 per cent with 90 per cent cover offered. In itself, cover against the unfair calling of bonds costs 0.5 per cent of their value. Currently the ECGD is underwriting nearly 100 contracts with a total contract value of £500m and a bond value of £90m.

The scheme has now been extended to cover "pre-qualified" risk from the start of work up to presentation of the first invoice. It is backing tender bonds in some 20 bids for projects worth £175m with the bonds valued at about £2m.

The amount of potential claims being banded is about double what it was a year ago and arguably the ECGD—with its reserves run down and much of them allocated to other con-

tingencies like Turkey—is very exposed in the Arab world.

For the contractor, however, it is a question of either the total ECGD package or nothing. According to the extent of coverage judged necessary, it can be cheaper to insure through the commercial market with a policy more finely tuned to a company's requirements. An important aspect in any choice is assessment of exposure at any given point in the life of a contract. After taking into account payments already received and salvage potential, it can vary by anything from 20 per cent to 60 per cent of contract at any time. Over the past decade Lloyds the American Insurance Group and other insurance companies have developed a broad range of policies to cover political risk.

However, there is a limit to what the insurance business can do to solve the problems of satisfying bond requirements through guarantees. They may be required first to support bids for which the bond percentages range from 1 per cent for government contracts in Saudi Arabia to 5 per cent in Iraq, secondly as security against advance payments, which are generally around 20 per cent of contract value, and, thirdly to guarantee performance of the contract as a whole, for which bonds of 5 per cent or 10 per cent of contract value are most common.

Exclusively

In the Arab world such guarantees are provided almost exclusively by banks, which issue them only against the security of the counter-indemnity from the contractor or another acceptable third party. The most notable exceptions are Aramco, which does not require—and thereby side awards contracts on a cost-plus-fee basis—and the U.S. Corps of Engineers, which accepts insurance company surety bonds for some of their projects.

Arab clients are still

unfamiliar with the insurance business. They prefer in any case instruments which they understand and can be easily liquidated. For them the complex procedure whereby an insurance company stands surety for a contractor, undertakes to cover actual losses suffered by the buyer and takes responsibility for completing the project has no appeal whatsoever. For their part underwriters have looked with grave reservations on the unconditional nature of unconditional bonds.

Thus, it is the banks that have had to provide the basic service of issuing guarantees and, in the case of U.S. companies, standby letters of credit. The commercial market is limited to the unfair calling cover without the underlying credit that State agencies like ECGD demand.

Charges by banks are very much cheaper than equivalent coverage through the issue of bonds by the insurance industry would be. Indeed, with the growth of the market and the involvement in it of many more banks, rates have fallen to a dangerously low level in view of the inherent risks. Compared with a level of 1-1.5 per cent about a year ago they have fallen to 0.5-1.0 per cent. Because of competition most operators now do not even require a cash security deposits as backing for their commitments on behalf of contractors.

Meanwhile, it is questionable whether many of the banks in the field on construction in the Arab world have the necessary expertise to make the kind of undertakings constituted by unconditional guarantees and stand-by letters of credit relating to projects. Some it is alleged, do not evaluate the credit-worthiness of their customers or their ability to implement contracts.

Perhaps little more than a dozen banks can truly boast of having the necessary expertise. Undoubtedly Bank of America is one of them. Others are Citibank, the British Bank of the Middle East, Grindlays, Credit Lyonnais, Dresdner, Deutsche, Commerz and the Arab Bank. Recently both Lloyds Bank International and Banque Arabe d'Investissements Internationales have become aggressive and prominent in the market. The Italians and French have developed sophisticated pool operations.

Generally the trend has been towards syndicating guarantees in line with the joint venture approach "jumbo" projects. They can be so large that the guarantee requirements exceed the amount which a customer will accept from a bank or, in turn, any one bank is prepared to give. For many contractors the sums involved are frighteningly large in absolute terms and even more so in relation to assets. Overall the contingent liabilities are alarming.

Richard Johns
Middle East Editor



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M&G REINSURANCE

Big market and big risks

THE FASTEST growing insurance markets over the last six years or so have been found in the Middle East, particularly after the quadrupling of the price of oil.

Relatively unregulated, partly because in some of the Arab countries insurance is not officially condoned because it is considered to be gambling on the will of God, the insurance market has managed to maintain a rapid rate of growth. Total premium generated in the Arab countries is estimated to be running in excess of \$3bn.

Even so it is still a comparatively small market considering the size of business it attempts to participate in. Most of the small insurance companies set up in the area have largely made their profits from commissions but have not taken a significant underwriting share in the risks.

The bulk of the risks have found their way into the professional reinsurance market, which has been only too eager for a slice of the action.

The experience of insurers in the area has been, to say the least, mixed. Underwriters of both direct and indirect insurance business have had a generally poorer loss experience than many expected in the first five post-oil boom years.

For instance, about half the total premium income of the Gulf States, amounting to around \$150m, was lost in a single fire at the natural gas plant at Umm Said, Qatar, in April, 1977, and there have been other disasters only slightly smaller in scale.

Marine cargo and engineering insurance have posed problems. Port delays in the Gulf up to 1977, and the turmoil in Iran from mid-1978 onwards, often meant that marine cargo insurers discovered only after the event that hundreds of separate items they were insuring were all simultaneously

destroyed in the same warehouse fire. Insurers failed to anticipate that delays could cause vast concentrations of goods. While the individual value of items may not have been significant, collectively the total insured liability of underwriters was very great.

Inevitably it was the established insurers and reinsurers outside the Arab market that had to pick up most of the bill. While there have been nationalistic moves by some governments to set up local insurance businesses through the establishment of pooling arrangements, exemplified by the efforts of the General Arab Insurance Federation, it has been accepted that local markets have not the capacity to handle the really big risks.

This became apparent with the emergence of the large construction and transport risks in the seventies.

Reasons

Developing countries cannot keep all their insurance at home for four main reasons: lack of capital; lack of expertise; excessive concentration of risks in their cities and large industrial plants; and, because of the relative lack of small consumer risks, the unbalanced nature of their insurance needs.

The growth of insurance in the Arab world has been stimulated to a large extent by the needs of the international contractor. As the Arab countries have developed their economies, there has been a surge of construction work, first in infrastructure development and then in industrial development, a trend which has been helped by the oil producers' attempt to reduce their dependence on oil wealth.

The operations of large-scale industrial contractors have stimulated the development of contractors' all-risk insurance

for the large civil engineering and contracting concerns operating in the area. The large Janall and Yanbo projects now underway in Saudi Arabia have given an added boost to this type of insurance.

The degree of contractors' all-risk insurance can be vast. In money terms the liability will often run into millions of dollars, while the class of business itself is fraught with hazards.

Inexperienced workers operating large machinery, unpredictable and often adverse weather and territorial conditions—and lack of water for firefighting have led to a generally poor underwriting experience on this class of business. Moreover, underwriters have found it difficult to make a suitable adjustment in premium rates to take account of the poor loss experience because of the intense competition from other insurers.

However, better risk management techniques which have been evolved since construction all risks insurance was first developed in the late fifties has meant that underwriters' exposure is not as vulnerable as it once was.

There are large risks of a more indirect nature which are absorbed by the international insurance community. The Arab countries generally insist on performance bonds. These are bank guarantees for large sums of money on which the customer can draw if he is dissatisfied with any aspect of the contractor's performance. The on-demand bonds that the Saudis generally require in their contracts, and which are now becoming popular in other developing countries, permit the government to call in the bonds without giving any reason at all. Insurers have been trying to develop packages to cover this contingency for some years but so far the scope and availability

of such insurance in the UK is extremely limited.

The importance of other indirect insurances was highlighted recently by the clash between Arab, particularly Kuwaiti, mercantile interests and Lloyd's and London company underwriters over surcharging of war risks insurance premiums for ships operating in the Gulf. London underwriters had become increasingly nervous about the security of the Hormuz Strait after suggestions of possible PLO attacks on shipping at the entrance to the Gulf.

Uniform

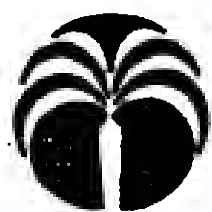
It was perhaps a measure of the influence of the Arab insurance community that Lloyd's and the London underwriters were unable to establish a consensus view in London for the establishment of a uniform increase in the rate.

Other large insurance covers which overseas industrial companies rely on when operating in the Arab area are political risks insurances. These effectively reduce the company's exposure to the capriciousness of overseas governments. They can protect businesses against the physical loss of property by confiscation or expropriation.

There is still much potential left for the international reinsurer in the Arab market, although perhaps the rate of growth in business might not be so dramatic as in the last few years. His biggest worry is likely to be creating an underwriting profit at a time when competition among international insurers is at its most intense. But better risk management techniques and high interest rates for the moment should offset some of the worst effects of a poor underwriting experience.

John Moore

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ARAB INSURANCE IV

Growing concern about war risks

THE SERIES of wars between Israel and its neighbours, the years of internal strife in Lebanon, the turbulence which radiates to the Gulf from the revolution in Iran and the new regime's conflict with the U.S. are all factors which call for a very close consideration of war risks and of clauses exempting the insurers from responsibility for risks connected with war, civil commotion and related events in the region. The structure and rates of marine war risk insurance were recently the subject of negotiations between London and the Gulf insurers.

The interpretation and the meaning of the usual exemption clauses has been greatly assisted by Mr. Justice Mustill's recent judgment concerning Spinney's insurance claims for losses suffered in Beirut.

London marine war risk insurance premiums have been rising with the tension created by the conflict between the U.S. and Iran. They were also influenced by the fears that Islamic militancy may spill over into other Arab States. London underwriters became particularly nervous about the security of the Hormuz Strait at the entrance to the Gulf after two countries raised the possibility of terrorists blocking or otherwise interfering with shipping there.

Protests

After a visit in London by a Gulf insurance delegation Lloyd's underwriters agreed to defer the imposition of a war risk surcharge for the Gulf. This should have been an extra premium of 2p for each £100 of the value of the ship for each voyage in addition to the normal yearly cover costing 2p. After protests from Gulf, the rates were allowed to float at the discretion of individual underwriters, but the extra premium was doubled under the terms of a new market ruling in late November, following the U.S. confrontation with Iran.

The long-awaited decision in the dispute between Spinney's and Royal Insurance, expected to clarify the fire, theft and similar risks in such situations as existed in Beirut in 1976, was made in the Commercial Court (Queen's Bench Division, High Court, London) on November 2 last. The judgment of Mr. Justice Mustill is still subject to appeal (for which the

time was extended to three months) but for the time being it represents the most authoritative analysis of exemption clauses concerning civil war, civil commotion riots, usurped power and activities connected with organisations trying to overthrow the Government or to influence it by terrorism.

Of the 80 pages of the judgment, 23 are taken up by a narrative tracing the history of the political strife and fighting in Lebanon up to 1976. This captivating piece of historical writing is based only on such evidence as was presented by the two parties in the dispute. Spinney's (1948) and associated companies on the one hand and the Royal Insurance Company on the other. Because the evidence was in this way limited, the applicability of the description of the political and military developments is, as the judge said, restricted to the particular dispute before him.

The subject of the dispute was a claim amounting to approximately £1.4m made by Spinney's and associates under eight insurance policies, of which one covered the contents of Spinney's Centre, another stock in trade and a third consequential loss. Other policies concerned buildings, vehicles and loss of monies. The claims made under these policies concerned losses suffered between January 18 and 23 1976 when the retail and wholesale businesses operated by the group in Beirut were looted and stripped of all their stocks, while furniture, and fittings were either taken away or smashed. The external structure of the building suffered only minor damage.

The exemption clauses included in the policies or in separate contracts endorsed on those policies were more detailed and comprehensive than usual, and the defeat of the insurance claims in the High Court does not mean, therefore, that insurers with less comprehensive exclusion clauses would have also succeeded, though most would be protected by the civil commotion clause.

Comprehensive as they were, the judge refused to treat the exemption clauses as a general "sweeping-up" provision such as is found, for example, in the standard form of Lloyd's marine policy. He took the view that the Royal Insurance has chosen to define the exclusions by a series of specific terms, each of which has a specific meaning.

He then proceeded to analyse the specific meaning of the various terms and held that only that of civil commotion and of usurped power apply to the situation which existed in Beirut during the period of looting between the entry of Syrian units and the coming into effect of the cease-fire, agreed in the joint Lebanese, Syrian and Palestinian military commission.

Analysing the notions of civil war the judge found that the theory of international law was quite unhelpful and previous judicial decisions not quite applicable. He relied mainly on the ordinary meaning of the words and it seems that, in his mind, the term is connected with the idea of a front line with continuous organised fighting between troops on both sides. He found it impossible to draw such a line separating the opponents or even marking the social and religious dissensions.

Consequently, he concluded that by January 1976 there was massive civil strife and virtual anarchy but not yet a civil war, though he admitted that civil war may have come into existence later on.

By contrast with the common-sense treatment of the civil war the judge went very deeply into history and precedent when analysing the meaning of usurped power. He started with the Treason Act of 1351 which makes it treason "if a man do levy war against our lord the King in his realm." Tracing the development of the terms through numerous English judgments, always based on the 1351 Act, he rejected the definition made in the U.S. Second Circuit Court of Appeals (in *Pan American World Airways Inc. v. The Aena Casualty and Surety Co.* (1975) 1 Lloyd's Rep. 77), when Chief Justice Hays said: "We hold that to constitute a military or usurped power

the power must at least be that of a de facto government." This seems to me to be nearer to the modern usage of the term than the 1351 Act but, the judge held that this is not the law of England.

Meaning

"Usurped power," he said, "is an English term of art appearing in a policy which can be assumed to be governed by English law." The words, therefore, had to be given the meaning established by English judges. These speak of usurpation when a mob takes into its own hands the law making and law enforcing power, which properly belongs to the sovereign. "The various militias operating in Beirut and their supporters had grievances which lay in the public domain," said the judge. They had done things which were within the prerogative of the government, they arrogated to themselves the functions of the State. There-

fore, the insurance claim must fall under the exclusion of usurped power.

Mr. Justice Mustill held that the insurance claim failed also on the strength of the exception, referring to civil commotion. He started with the natural meaning of the words, saying: "If the violence, death and destruction prevailing in Lebanon did not amount to a civil commotion, the words would be meaningless." Judicial interpretation led to a fairly robust definition in 1913: "A general rising up of the people to do terrible things." Civil commotion need not involve revolt against the government, but the disturbances must be more than the work of a mindless mob. Such a description did apply to the violence which was taking place in Beirut in January, 1976, and for months before.

A. H. Hermann
Legal Correspondent

Koran governs Saudi laws

IT IS one of the many curiosities of Saudi business life that the Government can order the insurance of all its major construction projects yet will not recognise local insurance companies. More than SR 11bn (£1.49bn) in cover has been written for the new Riyadh airport alone; yet every one of the nine "Saudi" insurance companies is registered offshore.

Saudi Arabia accepts no constitution but the Sharia, which is based, in its Saudi variety, on instructions in the Moslem Koran. In areas of business life where the Koran gives little or no guidance, the Government will issue laws but "the pre-eminent point is that they should not conflict with the Sharia," according to the Deputy Minister of Commerce, Yousif Al-Hamdan.

Since the time when predominantly Lebanese insurers started major cargo cover in the early 1960s, the ulama (religious leaders) have been invited to write an opinion on the business. No formal and comprehensive declaration has been forthcoming and none is likely in the near future, according to leading insurers in Jeddah.

"The religious authorities are now agreed on insurance in the form of co-operatives," Mr. Hamdan said. Under this

system Saudi merchants and individuals would agree to spread their risk among themselves. Mr. Hamdan said that a legal framework was now being drawn up for all forms of insurance except life insurance, which, as it suggests gambling, "appears to be completely unacceptable."

Unworkable

It would also probably be unworkable, at least in Saudi Arabia and in the present state of the law where insurers are very unwilling even to undertake third party accident cover. Furthermore, none of the British companies involved in local ventures—which include Royal and London Assurance—believes that co-operatives could work even among merchants.

Despite the religious reservations, the Saudi Government has for some time insisted on cover in its major projects—the east-west pipeline, the Yanbu and Jubbah industrial cities, and Riyadh airport. Construction managers are required to select a market for placing the cover—companies in Connecticut, U.S., handled the pipeline. The U.S. company Alexander and Alexander is risk manager at Jubail, responsible for both placing the insurance and for security and

other precautions on the site. The Saudi public is rather less accustomed to insurance. Very few Saudis insure their houses or, if they are merchants, their stock. On January 16 last year more rain fell on Jeddah in a morning than in the whole of the previous year. Total losses in flooded houses, damaged stock and delayed construction were estimated at over SR150m. Total claims were about a fifth of that, and these were mostly for cargo completely destroyed (like cement) under the usual free of particular average clauses.

Some merchants threatened to sue the city for failing to complete a storm drainage network; smaller traders went to their patrons for compensation. But a senior member of the Royal Family told one delegation that they should try insurance.

The bulk of business written is cargo cover. Saudi banks now insist on insurance as a condition for issuing letters of credit and the major local companies are generally linked to a bulk importer—London Assurance's operation is with Binzagr. Little progress has been made into hull and machinery, which is almost invariably written in London.

The furor over Lloyd's decision to raise the extra war risk premium for the Gulf has been accompanied by an attempt

to win more of this business for local firms. The head of the Saudi Insurance Commission, Mr. Ahmad Hussein Abul Eza, said last month that Gulf insurers are considering forming a pool for war risk cover at lower premiums.

Similarly, rudimentary warehousing and police investigation put high premiums on fire cover. The major growth in recent years has been in cover for Western contractors—the Korean companies insure at home. Many of these policies include damage to equipment, fire and loss, and penalties for late completion. One Saudi insurer proposed recently that insurance companies handle the strict bonds that the Government requires contractors to post both in tendering and during operations. At present, borrowing from banks for bonding is one of the heaviest burdens on contractors.

Theoretically, bonds can be called on demand and the risk involved appears to be no more attractive to insurance companies than to the banks, which generally charge solid fees. Furthermore, if bonds were called, it could not be challenged in the local courts, since unlike the banks, none of the insurance companies is incorporated under Saudi law.

James Buchan

Signs of revival in Egypt

FAINT SIGNS of a new competitive spirit are beginning to be seen in the Egyptian insurance market for the first time in nearly 20 years.

The three nationalised companies—Misr, Al-Chart and National—while theoretically undertaking all types of business have in fact operated with some degree of specialisation, with one concentrating, for example, on the marine hull fleet and another on Egyptair, the national airline.

As the only professional reinsurance organisation, the Egyptian Reinsurance Company (ERC) benefits from the legal requirements that all writing companies operating in Egypt have to cede some 30 per cent of business emanating from Egypt to the ERC, although they may reinsure the balance freely abroad.

Income

Since the launching by President Anwar Sadat of his economic "open door" policy in 1974 there has been greater pressure for some relaxation of the tight regulations governing insurance companies in order to provide greater expertise and more flexibility to cope with the influx of Western capital and associated organisations. Officials insist that at the moment there is no likelihood that foreign insurers will again be allowed to operate on the Egyptian domestic market, but three private Egyptian companies are planning to begin operations next year.

These are the Mohandes Insurance Company, which will be run by the Engineers Syndicate, headed by the pre-eminent local contractor and close friend of President Sadat, Mr. Osman Ahmed Osman; a company to be established by the Suez Canal Company; and the Delta International Company.

These private companies and especially Mohandes Insurance, are together likely to have a significant impact on the market by taking away a substantial slice of business in the contractor's all-risk and marine fields away from the other three long-established public sector companies.

However, as one leading insurer pointed out, the Government's intention was essentially to provide the customer with more competition in the area of services and not in

manages the Federation's aviation pool, which is now being established in Morocco. The Federation served as a useful forum for closer Arab co-operation and was thought to be acting well in ensuring that a greater proportion of premiums remained within the Arab world. At the moment the bulk of Egypt's reinsurance, thought to amount to more than 50 per cent of total premiums, goes to the European and essentially London markets.

During 1978 the gross direct premium income of the nationalised Egyptian companies totalled just over £287m (£56m), which though tiny by international standards represented an increase of 38 per cent over the previous year. Premium income for non-life business jumped from £55m to £289.7m, while life assurance

premiums were up from £14.4m to £17.3m.

The three new private companies and the three public sector companies all appear confident that the insurance industry in Egypt will continue to see rapid growth during the coming years as the country's economic base expands, fuelled by the over \$2bn a year of foreign aid and capital. It should also continue to be highly profitable for the main participants, although the State companies are looking warily over their shoulders at the private sector and are not disguising their fears that it is common with other areas of State activity the "open door" policy means not a warm wind of change but a nasty and for them unfairly competitive chill.

Roger Matthews
Cairo Correspondent

«بين داووز» الآن في الشرق الأوسط

In other words

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INDUSTRIALS—Continued

[illegible]

INSURANCE—Continued

INSURANCE - Continued

7979-80	High Low	Slack	Price	% Ch.	Mo.	Yr.	Mo.	Yr.	Mo.
157	129	79	Howden (A) 10p	101	1	7.0	14	9.5	1.0
158	130	80	Wm Watson 5p	101	1	7.0	14	9.5	1.0
159	131	81	Legal & Marine	154	1	7.5	15	10.0	1.0
160	132	82	Loan & General	152	1	7.5	15	10.0	1.0
161	133	83	Life & Marine	152	1	7.5	15	10.0	1.0
162	134	84	Marine Hides, 20p	152	1	7.5	15	10.0	1.0
163	135	85	Marine Hides, 20p	152	1	7.5	15	10.0	1.0
164	136	86	Marine Hides, 20p	152	1	7.5	15	10.0	1.0
165	137	87	Marine Hides, 20p	152	1	7.5	15	10.0	1.0
166	138	88	Marine Hides, 20p	152	1	7.5	15	10.0	1.0
167	139	89	Marine Hides, 20p	152	1	7.5	15	10.0	1.0
168	140	90	Marine Hides, 20p	152	1	7.5	15	10.0	1.0
169	141	91	Marine Hides, 20p	152	1	7.5	15	10.0	1.0
170	142	92	Marine Hides, 20p	152	1	7.5	15	10.0	1.0
171	143	93	Marine Hides, 20p	152	1	7.5	15	10.0	1.0
172	144	94	Marine Hides, 20p	152	1	7.5	15	10.0	1.0
173	145	95	Marine Hides, 20p	152	1	7.5	15	10.0	1.0
174	146	96	Marine Hides, 20p	152	1	7.5	15	10.0	1.0
175	147	97	Marine Hides, 20p	152	1	7.5	15	10.0	1.0
176	148	98	Marine Hides, 20p	152	1	7.5	15	10.0	1.0
177	149	99	Marine Hides, 20p	152	1	7.5	15	10.0	1.0
178	150	100	Marine Hides, 20p	152	1	7.5	15	10.0	1.0
179	151	101	Marine Hides, 20p	152	1	7.5	15	10.0	1.0
180	152	102	Marine Hides, 20p	152	1	7.5	15	10.0	1.0
181	153	103	Marine Hides, 20p	152	1	7.5	15	10.0	1.0
182	154	104	Marine Hides, 20p	152	1	7.5	15	10.0	1.0
183	155	105	Marine Hides, 20p	152	1	7.5	15	10.0	1.0
184	156	106	Marine Hides, 20p	152	1	7.5	15	10.0	1.0
185	157	107	Marine Hides, 20p	152	1	7.5	15	10.0	1.0
186	158	108	Marine Hides, 20p	152	1	7.5	15	10.0	1.0
187	159	109	Marine Hides, 20p	152	1	7.5	15	10.0	1.0
188	160	110	Marine Hides, 20p	152	1	7.5	15	10.0	1.0
189	161	111	Marine Hides, 20p	152	1	7.5	15	10.0	1.0
190	162	112	Marine Hides, 20p	152	1	7.5	15	10.0	1.0
191	163	113	Marine Hides, 20p	152	1	7.5	15	10.0	1.0
192	164	114	Marine Hides, 20p	152	1	7.5	15	10.0	1.0
193	165	115	Marine Hides, 20p	152	1	7.5	15	10.0	1.0
194	166	116	Marine Hides, 20p	152	1	7.5	15	10.0	1.0
195	167	117	Marine Hides, 20p	152	1	7.5	15	10.0	1.0
196	168	118	Marine Hides, 20p	152	1	7.5	15	10.0	1.0
197	169	119	Marine Hides, 20p	152	1	7.5	15	10.0	1.0
198	170	120	Marine Hides, 20p	152	1	7.5	15	10.0	1.0
199	171	121	Marine Hides, 20p	152	1	7.5	15	10.0	1.0
200	172	122	Marine Hides, 20p	152	1	7.5	15	10.0	1.0

LEISURE

100	55	70	Anglo (T) 10p	61	1	13.14	14	7.4	1.0
101	56	71	Asicco Leisure 5p	113	1	14.25	14	7.4	1.0
102	57	72	Bo Black Edge, 50p	136	1	14.99	14	7.4	1.0
103	58	73	Benson & Hambro	154	1	15.45	14	7.4	1.0
104	59	74	Comet (A) 10p	146	1	16.45	14	7.4	1.0
105	60	75	Conrad Ltd, 10p	46	1	16.7	14	7.4	1.0
106	61	76	Farlane Bros 10p	90	1	17.3	14	7.4	1.0
107	62	77	Glenview (A) 10p	107	1	17.63	14	7.4	1.0
108	63	78	Hampton 10p	97	1	18.0	14	7.4	1.0
109	64	79	ITM (T) 10p	22	1	18.3	14	7.4	1.0
110	65	80	Horizon 5p	280	1	15.44	14	7.4	1.0
111	66	81	L. Ward W 10p	120	1	18.9	14	7.4	1.0
112	67	82	M. Ward W 10p	101	1	19.3	14	7.4	1.0
113	68	83	M. Ward W 10p	93	1	19.6	14	7.4	1.0
114	69	84	N. Ward W 10p	93	1	19.6	14	7.4	1.0
115	70	85	Phonix (A) 10p	157	1	19.7	14	7.4	1.0
116	71	86	Reed T. Pro 10p	56	1	19.9	14	7.4	1.0
117	72	87	Saga Hols, 20p	101	1	20.1	14	7.4	1.0
118	73	88	Seaside 10p	61	1	20.3	14	7.4	1.0
119	74	89	Scott T. Pro 10p	136	1	21.3	14	7.4	1.0
120	75	90	Traffic T. Pro 10p	101	1	21.46	14	7.4	1.0
121	76	91	W. Ward W 10p	93	1	21.9	14	7.4	1.0
122	77	92	W. Ward W 10p	93	1	21.9	14	7.4	1.0
123	78	93	W. Ward W 10p	93	1	21.9	14	7.4	1.0
124	79	94	W. Ward W 10p	93	1	21.9	14	7.4	1.0
125	80	95	W. Ward W 10p	93	1	21.9	14	7.4	1.0
126	81	96	W. Ward W 10p	93	1	21.9	14	7.4	1.0
127	82	97	W. Ward W 10p	93	1	21.9	14	7.4	1.0
128	83	98	W. Ward W 10p	93	1	21.9	14	7.4	1.0
129	84	99	W. Ward W 10p	93	1	21.9	14	7.4	1.0
130	85	100	W. Ward W 10p	93	1	21.9	14	7.4	1.0

MOTORS, AIRCRAFT TRADE

26	16	11	B.L. 50p	17	1	126.50	1	10.5	1.0
27	17	12	British Airways	29	1	6.9	1	6.9	1.0
28	18	13	British Airways	29	1	6.9	1	6.9	1.0
29	19	14	British Airways	29	1	6.9	1	6.9	1.0
30	20	15	British Airways	29	1	6.9	1	6.9	1.0

Motors and Cycles

26	16	11	B.L. 50p	17	1	126.50	1	10.5	1.0
27	17	12	British Airways	29	1	6.9	1	6.9	1.0
28	18	13	British Airways	29	1	6.9	1	6.9	1.0
29	19	14	British Airways	29	1	6.9	1	6.9	1.0
30	20	15	British Airways	29	1	6.9	1	6.9	1.0

Commercial Vehicles

140	74	77	E.R.R. (Meds.)	87	1	9.4	9.8	5.4	1.0
141	75	78	Peak Lines	87	1	9.4	9.8	5.4	1.0
142	76	79	Peak Lines	87	1	9.4	9.8	5.4	1.0
143	77	80	Peak Lines	87	1	9.4	9.8	5.4	1.0
144	78	81	Peak Lines	87	1	9.4	9.8	5.4	1.0

Components

78	52	35	Albany Panels	68	1	42.68	3.4	2.7	1.0
79	53	36	Armstrong Eng. 10p	46	1	42.64	3.4	2.7	1.0
80	54	37	Assoc. Eng 10p	46	1	42.64	3.4	2.7	1.0
81	55	38	Assoc. Eng 10p	46	1	42.64	3.4	2.7	1.0
82	56	39	Bimble Bros.	54	1	42.64	3.4	2.7	1.0
83	57	40	Brown Bros 10p	54	1	42.64	3.4	2.7	1.0
84	58	41	Conrad Ltd, 10p	46	1	42.64	3.4	2.7	1.0
85	59	42	Farlane Bros 10p	90	1	42.64	3.4	2.7	1.0
86	60	43	Glenview (A) 10p	107	1	42.64	3.4	2.7	1.0
87	61	44	Hampton 10p	97	1	42.64	3.4	2.7	1.0
88	62	45	ITM (T) 10p	22	1	42.64	3.4	2.7	1.0
89	63	46	Horizon 5p	280	1	42.64	3.4	2.7	1.0
90	64	47	L. Ward W 10p	120	1	42.64	3.4	2.7	1.0
91	65	48	M. Ward W 10p	101	1	42.64	3.4	2.7	1.0
92	66	49	N. Ward W 10p	93	1	42.64	3.4	2.7	1.0
93	67	50	Phonix (A) 10p	157	1	42.64	3.4	2.7	1.0
94	68	51	Reed T. Pro 10p	56	1	42.64	3.4	2.7	1.0
95	69	52	Saga Hols, 20p	101	1	42.64	3.4	2.7	1.0
96	70	53	Seaside 10p	61	1	42.64	3.4	2.7	1.0
97	71	54	Scott T. Pro 10p	136	1	42.64	3.4	2.7	1.0
98	72	55	Traffic T. Pro 10p	101	1	42.64	3.4	2.7	1.0
99	73	56	W. Ward W 10p	93	1	42.64	3.4	2.7	1.0
100	74	57	W. Ward W 10p	93	1	42.64	3.4	2.7	1.0

Garages and Distributors

95	64	48	Adams Gibson	77	1	4.62	3.0	3.6	1.0
96	65	49	Alexander 5p	12	1	6.25	2.0	2.0	1.0
97	66	50	Armstrong Eng. 10p	46	1	9.0	2.0	2.0	1.0
98	67	51	Assoc. Eng 10p	46	1	9.0	2.0	2.0	1.0
99	68	52	Assoc. Eng 10p	46	1	9.0	2.0	2.0	1.0
100	69	53	Bimble Bros.	54	1	9.0	2.0	2.0	1.0
101	70	54	Brown Bros 10p	54	1	9.0	2.0	2.0	1.0
102	71	55	Conrad Ltd, 10p	46	1	9.0	2.0	2.0	1.0
103	72	56	Farlane Bros 10p	90	1	9.0	2.0	2.0	1.0
104	73	57	Glenview (A) 10p	107	1	9.0	2.0	2.0	1.0
105	74	58	Hampton 10p	97	1	9.0	2.0	2.0	1.0
106	75	59	ITM (T) 10p	22	1	9.0	2.0	2.0	1.0
107	76	60	Horizon 5p	280	1	9.0	2.0	2.0	1.0
108	77	61	L. Ward W 10p	120	1	9.0	2.0	2.0	1.0
109	78	62	M. Ward W 10p	101	1	9.0	2.0	2.0	1.0
110	79	63	N. Ward W 10p	93	1	9.0	2.0	2.0	1.0
111	80	64	Phonix (A) 10p	157	1	9.0	2.0	2.0	1.0
112	81	65	Reed T. Pro 10p	56	1	9.0	2.0	2.0	1.0
113	82	66	Saga Hols, 20p	101	1	9.0	2.0	2.0	1.0
114	83	67	Seaside 10p	61	1	9.0	2.0	2.0	1.0
115	84	68	Scott T. Pro 10p	136	1	9.0	2.0	2.0	1.0
116	85	69	Traffic T. Pro 10p	101	1	9.0	2.0	2.0	1.0
117	86	70	W. Ward W 10p	93	1	9.0	2.0	2.0	1.0
118	87	71	W. Ward W 10p	93	1				

PROPERTY Continued

[illegible]

INVESTMENT TRUSTS: Cont.

[illegible]

WASTE LAND (Continued)

[illegible]

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MINES—Continued

CENTRAL AFRICAN

1979 Low	1979 High	Stock	Price	+/-	Div. M.	Yield
575	132	Alcon Rh.Soc.	560	-5	0100c	4.5
576	131	Reed Corp. 10p.	240	-20	0125c	4.5
577	62	Roan Mines Ltd.	240	-20	0125c	4.5
578	26	Warrick Co. R.O.L.	57	-1	00c	1.5
579	54	9	9	-4		

AUSTRALIAN

1979 Low	1979 High	Stock	Price	+/-	Div. M.	Yield
29	18	Acemes Soc.	25	20		
30	15	Alcoa	25	20		
31	10	Boliden	25	20		
32	10	Boliden	25	20		
33	10	Boliden	25	20		
34	10	Boliden	25	20		
35	10	Boliden	25	20		
36	10	Boliden	25	20		
37	10	Boliden	25	20		
38	10	Boliden	25	20		
39	10	Boliden	25	20		
40	10	Boliden	25	20		
41	10	Boliden	25	20		
42	10	Boliden	25	20		
43	10	Boliden	25	20		
44	10	Boliden	25	20		
45	10	Boliden	25	20		
46	10	Boliden	25	20		
47	10	Boliden	25	20		
48	10	Boliden	25	20		
49	10	Boliden	25	20		
50	10	Boliden	25	20		
51	10	Boliden	25	20		
52	10	Boliden	25	20		
53	10	Boliden	25	20		
54	10	Boliden	25	20		
55	10	Boliden	25	20		
56	10	Boliden	25	20		
57	10	Boliden	25	20		
58	10	Boliden	25	20		
59	10	Boliden	25	20		
60	10	Boliden	25	20		
61	10	Boliden	25	20		
62	10	Boliden	25	20		
63	10	Boliden	25	20		
64	10	Boliden	25	20		
65	10	Boliden	25	20		
66	10	Boliden	25	20		
67	10	Boliden	25	20		
68	10	Boliden	25	20		
69	10	Boliden	25	20		
70	10	Boliden	25	20		
71	10	Boliden	25	20		
72	10	Boliden	25	20		
73	10	Boliden	25	20		
74	10	Boliden	25	20		
75	10	Boliden	25	20		
76	10	Boliden	25	20		
77	10	Boliden	25	20		
78	10	Boliden	25	20		
79	10	Boliden	25	20		
80	10	Boliden	25	20		
81	10	Boliden	25	20		
82	10	Boliden	25	20		
83	10	Boliden	25	20		
84	10	Boliden	25	20		
85	10	Boliden	25	20		
86	10	Boliden	25	20		
87	10	Boliden	25	20		
88	10	Boliden	25	20		
89	10	Boliden	25	20		
90	10	Boliden	25	20		
91	10	Boliden	25	20		
92	10	Boliden	25	20		
93	10	Boliden	25	20		
94	10	Boliden	25	20		
95	10	Boliden	25	20		
96	10	Boliden	25	20		
97	10	Boliden	25	20		
98	10	Boliden	25	20		
99	10	Boliden	25	20		
100	10	Boliden	25	20		

TINS

1979 Low	1979 High	Stock	Price	+/-	Div. M.	Yield
23	25	Alcoa	25	20		

